

# Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Paris, Wednesday, March 23, 1994

No. 34,543

## U.S. and France Work to Blunt the Edge of Low-Wage Nations

By Alan Friedman  
International Herald Tribune

PARIS — The United States and France, in a move that could pave the way toward penalizing low-wage developing nations, are planning an extraordinary effort to end what they see as unfair trade advantages for countries that export cheap goods thanks to poor working conditions.

Officials in Washington and Paris said Tuesday in interviews that they were holding talks aimed at reaching a joint position in time for the April 15 signing of the Uruguay Round agreement of GATT in Marrakesh.

The initiative could open a controversial chapter in world trade talks, as it is likely to stir strong emotions among the rapidly growing and export-driven economies of Asia such as Singapore, Malaysia and Indonesia, all of which have been criticized in the West as unfair in their treatment of workers.

It could also further anger China, which has applied to join the General Agreement on Tariffs and Trade and is

engaged in a war of words with the U.S. government over Washington's linking of trade relations with Beijing's record on respecting human rights.

In Brussels, the issue will take center stage Wednesday when Sir Leon Brittan, the European Union's trade representative, presents a report urging that governments at Marrakesh agree to ask the World Trade Organization, the

Asian nations are warned to expect a "misconceived" Western attack over wages and working conditions. Page 11.

successor to GATT, to address the question of union rights, child and prison labor, and related social matters.

Paris and Washington — in a rare display of cooperation on trade matters between governments that fought each other during the GATT negotiations last year — have agreed that the time has come to make the protection of workers' rights a priority item in trade talks. France is more advanced

than the United States in seeking ways to punish nations that violate internationally agreed labor practices.

A French official said discussions with the United States were held during the Group of Seven jobs conference in Detroit last week, "and we are in complete agreement with the United States that we have to find a way for the World Trade Organization to address the issue."

A U.S. official said, "There is certainly common ground between us, although our approaches may differ slightly." The subject will be discussed in Marrakesh in a meeting between Mickey Kantor, the chief U.S. trade negotiator, and Gerard Longuet, the French trade and industry minister. Both men plan to make strong statements demanding that the World Trade Organization be given a mandate to examine the problem.

Peter Sutherland, the director-general of GATT, has made it clear that he has grave reservations about linking trade with what is known as "social dumping," or exporting goods made cheaply through exploitative labor practices.

Mr. Sutherland warned in a speech in Toronto this week against "simplistic demands for drastic trade remedies" that he said bore a striking similarity "to more conventional forms of protectionist rhetoric."

But in Washington, a U.S. official disagreed. "Some people interpret our desire for workers' rights as a protectionist tool, but President Clinton has committed himself to making workers' rights part and parcel of the World Trade Organization," he said. "The president feels very strongly about this. We want this on the agenda."

In Europe, the government of Prime Minister Edouard Balladur of France is being criticized privately by other European governments, who claim Paris is pressing the issue to distract attention from domestic problems such as its record unemployment and social unrest. Several diplomats in Europe contended that France's ultimate goal was to secure new protectionist instruments.

While Britain is seen by delegates to GATT as dragging its

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## Fed Pushes Interest Rates Up to Keep Inflation Low

Financial Markets Take Latest Action in Stride; Stock Prices Are Steady

By Lawrence Malkin  
International Herald Tribune

NEW YORK — Boxed in by the money markets, the Federal Reserve Board announced Tuesday that it was again pushing short-term interest rates up a notch to try to maintain its credibility as a central bank standing vigilant against inflation.

A two-sentence statement by Chairman Alan Greenspan said the Federal Reserve's policy-makers would put pressure on bank reserves and that "this action is expected to be associated with a small increase in short-term money market interest rates."

The statement implied that the Fed was aiming for another rise of one-quarter of a percentage point in the federal funds rate, which sets the wholesale price of credit, to 3.50 percent. The U.S. central bank raised that rate to 3.25 percent from 3.0 percent on Feb. 4.

The announcement, made in midafternoon, gave a solid boost to government bond prices, as traders calculated that the Fed's move would help rein in the inflationary tendencies that hurt bonds' value. But the action, which had been widely anticipated, had little conclusive effect either on the currency market, where the dollar slipped a little against the Deutsche mark, or the stock market, where the Dow Jones industrial average lost a little ground. (Page 12)

The announcement was issued toward the end of a meeting in Washington of the Federal Open Market Committee, which meets every six weeks to set monetary policy. The date had been circled on every stock and bond trader's calendar ever since Mr. Greenspan broke with Fed precedent on Feb. 4 and formally announced the quarter-point rise in the federal funds rate.

That rate increase set off worldwide nervousness in the bond market, which waited for the next move upward. Bond traders took fright and called for higher interest rates in a time of uncertainty, pushing up rates on 30-year Treasuries.

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## 'Terrible Day for Europe' As Expansion Hits a Wall

By Tom Buerkle  
International Herald Tribune

BRUSSELS — The European Union's power-sharing dispute turned into a full-blown crisis Tuesday as Britain's opposition to any weakening of its veto power left London more isolated than ever in the bloc and looked certain to force a lengthy delay in the Union's expansion plans.

"It's a terrible day for Europe," said Tom Klitt, Ireland's European affairs minister, after a meeting of EU foreign ministers and European affairs ministers broke up in disarray when Britain and Spain rejected a compromise proposal on voting rights.

Theodoros Pangalos, the Greek European affairs minister, who chaired the meeting, said the Union was facing a "nightmare" scenario if ministers cannot resolve the crisis when they meet again this weekend in Ioannina, Greece.

A failure in Greece would delay membership for Sweden, Finland, Austria and Norway by as much as six months beyond the Jan. 1, 1995, target date, said Foreign Minister Alain Juppé of France.

Foreign Minister Alois Mock of Austria said any delay in the timetable could weaken support for the Union in his country and lead

voters to reject Vienna's membership accord in a referendum later this year, a fear echoed by Swedish officials.

But Prime Minister John Major of Britain, whom EU officials accuse of using the veto issue to buttress his support among the anti-European wing of his Conservative Party, gave little sign of backing down. He said in the House of Commons that he would not be swayed by "phony threats" about delays in the Union's enlargement.

"If there is delay, it will be because two other states have taken an inflexible and doctrinaire line," Mr. Major said. Agence France-Press reported that government sources indicated he was referring to Belgium and the Netherlands. They have been among the strongest backers of plans to weaken the power to block EU legislation as the Union adds members.

Officials in Brussels said positions among the ministers had merely hardened in four meetings over the past four weeks, and they expressed little hope of a solution at the weekend.

"It's better to have a crisis than a bad compromise," said Jacques Delors, the president of the European Commission.

Mr. Delors said the British stance would

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KURDS PROTEST ACROSS GERMANY — Activists restraining a Kurd who doused himself with gasoline Tuesday in Hamburg. Three other Kurds, two of them women, set themselves afire during highway-blocking protests across Germany. In Mannheim, one of those women died; the others were seriously injured. The Kurds say Germany supports repression against them.

## Seoul Heightens Security In Face of North's War Talk

By T. R. Reid  
Washington Post Service

SEOUL — North Korea served up more fiery rhetoric on Tuesday in the dispute over inspection of its nuclear plants, complaining in official broadcasts that new military steps by the United States and South Korea had pushed the situation "to a very dangerous brink of war."

South Korea's president, Kim Young Sam, responded by ordering his country's army to a higher alert status. But South Korea's foreign minister, Han Sung Joo, called for calm, and warned that "emotional hard-line policies" toward the North could be counterproductive.

(Secretary of State Warren M. Christopher, meanwhile, said Tuesday that the international drive to get full inspection of North Korea's nuclear program was at a crucial stage. Reuters reported from Washington.

"Our diplomacy has reached a critical point," Mr. Christopher told the Senate Foreign Relations Committee. "We have made it clear to North Korea that it must become a responsible member of the international community or that community will have no choice but to pursue other options. These other options include progressively stronger measures."

American and South Korean defense officials started planning on Tuesday for the deployment of Patriot anti-missile defenses in South Korea, and for a new round of joint war games. Both measures were agreed to on Monday to send a warning to North Korea for its

refusal to permit full international inspection of its nuclear sites.

North Korean radio said Tuesday: "The order by Clinton to deploy Patriot missiles in South Korea is a grave threat to us. This clearly shows that the United States is leading the Korean Peninsula to a very dangerous brink of war."

In a hint that the United States does not expect immediate hostilities, the Pentagon

An embargo for North Korea? But the nation already does without. Page 5.

chose to ship the battalion of up to 48 Patriot launchers by sea, rather than by air. The slower shipment also gives the North another month or so to yield on full inspections without having to respond to the deployment.

[A Pentagon spokesman, Dennis Box, said the Patriots were a newer version of those used in the Gulf War in 1991. The Associated Press reported. They have greater range, newer software and can intercept missiles at higher altitudes than the older Patriot version. They would be intended for defense of airfields and ports against any North Korean Scud missile attacks.]

It remained unclear when, and even whether, the Clinton administration would press for UN economic sanctions against North Korea.

In Washington, policymakers seem to be acting out of a firm conviction that North

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OSCARS WILD — Steven Spielberg, the big winner on Oscar night. Page 24.

## Klosk Russia Says IMF Releases Loan

Prime Minister Viktor S. Chernomyrdin said in Moscow he was able to persuade the International Monetary Fund to release a key \$1.5 billion loan. The lending agency had been worried that Moscow's economic reforms were insufficient to quell inflation and support growth. Page 11.

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Newsstand Prices	
Andorra.....9.00 FF	Luxembourg 60 L. Fr
Antilles.....11.20 FF	Morocco.....12 Dir
Cameroun.....1.400 CFA	Qatar.....8.00 Riels
Egypt.....E.P. 5000	Reunion.....11.20 FF
France.....9.00 FF	Saudi Arabia 5.00 R.
Gabon.....960 CFA	Senegal.....960 CFA
Greece.....300 Dr.	Spain.....200 PTAS
Ivory Coast 1.120 CFA	Turkey.....1.000 Din
Jordan.....1 JD	Turkey.....T.L. 15,000
Lebanon.....US\$ 1.50	U.A.E.....8.50 Dirh
	U.S. Mil. (Eur.) \$1.10

Dow Jones		Trib Index	
Down	2.50	Up	0.21%
	3,982.55		112.82
The Dollar		Trib Index	
DM	1.6884	DM	1.6885
Pound	1.428	Pound	1.4285
Yen	105.98	Yen	105.875
FF	5.7638	FF	5.7605

## World's Miners Reopen Rich Lodes

By Don Podesta and Steve Coll  
Washington Post Service

TIERRA AMARILLA, Chile — Out in the hills a few kilometers from this isolated desert town, a project worthy of the pharaohs is under way.

Mammoth trucks with tires twice as tall as a man speed back and forth from an ever-widening pit carved into the stony mountainside. Clouds of dust rise from the labors of more than 2,000 workers busy erecting a crushing mill, conveyor belt, fuel storage tanks, support buildings — the core of a major mining complex.

This is the Atacama Desert, said to be the driest on earth. From its mountains, a yellow-dun landscape extends to the horizon, unbroken by even wisps of vegetation.

"You don't see many of these go up like this in a career," said the mine's site supervisor, William Champion, surveying the creation from a rise with a panoramic view.

Copper and gold brought Mr. Champion here. There is an estimated 370 million tons of mixed ore out there for the taking, just as soon as his employer, Arizona-based Phelps Dodge Corp., digs a deep enough hole in the desert. When you hit a mineral deposit like this one, "you go out and find yourself a cold six-pack of beer and whoop it up," Mr. Champion drawled.

From the Atacama to the Siberian tundra to the jungles of Africa and Southeast Asia, vast

The world's diamond cartel steps up its marketing drive in newly affluent Asia. Page 11.

tracts of mineral-rich land are reopening to Western mining companies after decades of closure.

The reason: As the global economy undergoes a basic restructuring in the Cold War's aftermath, dozens of Third World countries such as Chile are abandoning old protectionist policies and adopting development strategies

that emphasize exports, lower tariffs and open foreign investment.

Already the changes under way in global trade are having an effect on Western minerals companies and their employees. A glut of metals unleashed from the former Soviet Union in the aftermath of communism's collapse has helped to push prices for aluminum, zinc, tin, nickel and other products to record lows. The price collapse has forced some high-cost American and European producers to shut plants and lay off workers.

In many cases, long-impooverished Third World countries, not Western governments, are pushing hardest for free-market change. Since it started trade and economic reforms much earlier than most — its initial efforts at reform began 15 years ago — Chile is emerging as "a role model for many other places in South America" and elsewhere, said A. Ross Dunn.

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## Western Players Are Rethinking Pan-Asian TV

By Kevin Murphy and Erik Ipsen  
International Herald Tribune

HONG KONG — Pan-Asian satellite television broadcasting is not dead, but it will need some redesigning after STAR TV's decision to drop the BBC news service from its broadcasts to China, Hong Kong and Taiwan.

STAR TV, Rupert Murdoch's Asian satellite network, said Tuesday that it was replacing the BBC's World Service Television with Mandarin-language entertainment broadcasts in the three territories. Executives of both companies said the shift signaled a rethinking of the pan-Asian concept that has so far governed Western broadcasters' moves into the potentially hugely lucrative market.

While Beijing had for months complained publicly and privately about the BBC's news and documentaries, Mr. Murdoch's decision to drop the BBC was widely seen by industry sources as less of a bow to political pressure than to economic necessity.

As part of a deal struck with Mr. Murdoch's News Corp., World Service Television will continue to be broadcast by STAR TV over the southern half of its territory until at least March 1996, preserving the British national broadcaster's reach into India, Bangladesh and Pakistan.

"No one is going to make any money in television in China for several years to come," one American television industry executive said, insisting on anonymity. The prospect of replacing the BBC with a pay television movie service in Taiwan holds far more immediate promise for STAR TV, he said.

Christopher Irwin, chief executive of World Service Television, said from New Delhi, "I do not think this is the death knell for international broadcasting at all."

An executive at Cable News Network agreed. "We have long understood and in fact respected the various reasons why governments

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## Canada's Snowbirds Flock to Their Places in the Sun

By Charles Trueheart  
Washington Post Service

ST. PETERSBURG, Florida — Officially, Canada has 10 provinces. But at this time of year, it has an unofficial, and populous, 11th one. It's called Florida.

Between the end of October, when winter sinks its frigid teeth into Canada, and late April, when it relaxes its bite, nearly a tenth of all Canadians — estimates run to 2.5 million — head to Florida, many of them to trailers and condominiums they own and inhabit up to half of the year.

For Canadian retirees and vacationers, as for so many American ones, this is the promised land, "Canada under the sun," and a comfortably familiar one.

The maple leaf flag flutters everywhere, right side up. Canadian papers are at the corner store, Canadian soap operas are on the air and Canadian friends are next door. Prime ministers vacation in Florida. Even the Toronto Blue Jays and Montreal Expos spend the winter there, and this month, entertain their Canadian fans.

"It's 20 below zero at home, the worst winter we've had since '21," cackled Don Slinger, of Port Severn, Ontario, and Bradenton, Florida, as he surveyed the throngs flocking to a "no-snow

festival" on the St. Petersburg pier. "Here I can pick my breakfast off a tree."

But this fruited plain is newly tinged with blight for many snowbirds, as these migratory Canadians call themselves. Across the Canadian diaspora, which also takes in enclaves in Arizona and the Grand Strand of South Carolina, the good life is not quite what it used to be.

Prices may still be attractive in the United States, but a Canadian dollar that used to trade above 90 cents has plunged below 75, and interest rates no longer provide incomes on savings to sustain this traditional Canadian habit.

Worse yet, provincial governments in Canada have put the brakes on their soaring health expenditures for snowbirds long accustomed to being treated in American hospitals and claiming reimbursement under Canada's socialized health system. Now they pay dearly for insurance to cover what Canada no longer will.

"Life is not as simple as it once was, and a lot of that angst is coming out," said Geoffrey Stevens, editor and publisher of the weekly Sun Times of Canada, one of a handful of French- and English-language publications and radio programs serving Canadians with news from home.

The anecdotal evidence suggests that fewer Canadians are in

Florida this year, or are staying for less time and spending less. A local merchant selling his tinkers at the snowbird festival remarked, "Canadians are very nice people, but they're not good for the pocket."

English-speaking Ontarians make up well over half the Canadian population in Florida. Among them is a large contingent of retirees who stay as long as the law allows, 182 days a year, before they lose their health-care privileges.

Organizations such as the Canadian Snowbird Association and the Florida French-Language Association are working to organize these exile communities to protect new provincial caps on payments to Canadians seeking medical treatment south of their border.

Until 1991, emergency care in the United States was fully reimbursed, and elective surgery at 75 percent of cost. Now Ontario will cover hospital care in the United States, which can cost \$1,000 a day, only to a daily maximum of \$300.

Don Slinger, recruiting new members at the association booth on the St. Petersburg pier, offered one after another reason to protect the health-care limits as folly and injustice, including this one: "If we were all at home, we'd be slipping on the ice and falling down. We're saving them all kinds of money being down here."

# In Juliet's Dainty City, Young Veronese Open Up Their Hearts to Evil

By Alan Cowell  
New York Times Service

VERONA, Italy — Since Shakespeare's day one thing has set this city apart from other Italian cities, at least in the minds of its visitors — romance. But these days, winged love and tender words seem the last things on Verona's mind.

With a series of killings staining its image of itself, the sweet sorrow has turned sour and the city's elders seemed more preoccupied with a question they would rather not ask or answer in public: Has the city fallen prey to what people call the "Verona Syndrome," meaning, in the words of a local reporter, "a concentration of evil" among its young people?

The question seems almost unlikely in a place whose modern prosperity easily matches the

value of its antiquities. This, after all, is one of Italy's most cherished cities, rich in Roman ruins and gorgeous palaces as well as Juliet's tomb and the famed balcony — built where it never really existed in Shakespeare's day.

But in recent times, official corruption, drug abuse and the advent of skinhead and soccer violence have shifted the focus.

Verona ranks as the second most corrupt city in Italy, after Milan, in terms of investigations per elected official. Its entire city council has been suspended over graft accusations. Its reputation as a drug-trafficking center has inspired Italian newspapers to call it the Bangkok of Europe.

Then, starting three years ago, the killings started. A 19-year-old, Pietro Marso, enlisted three friends to help him beat both his parents to death to obtain his inheritance.

A teenage girl hurled a newborn baby from a third-floor window to its death. A 66-year-old father shot his son to death out of exasperation at his demands for money to buy heroin. A 16-year-old woman shot her father, accusing him of repeated sexual abuse.

In December, Marco Moschini and Riccardo Garbin had a few beers with friends and then went to throw rocks at cars on the freeway — "for fun, to enjoy ourselves," as one of them told the police later.

In the course of the adventure, they dropped a 30-pound boulder onto a passing sedan. It went through the sunroof and killed the 25-year-old passenger, Monica Zanotti, driving with her fiancé.

To others, from societies more used to such violence, the incidents might have seemed sadly

familiar. Verona, however, was stunned, chilled by the lack of remorse among some of the killers and the echo their actions found among their peers.

Pietro Marso — young, handsome and spendthrift — became such a hero among the violence-prone Verona soccer supporters on the notorious "curva sud" — the southern curve — of the local stadium that they composed a chant to sing his praises.

When he appeared in court before receiving a 30-year jail term, Mr. Marso said his motive in killing his parents was to obtain a legacy that would give him "a brilliant life, with expensive cars and good-quality clothes."

It is this hankering for the materialist trappings of modern Italian life that has touched off a debate here about the "Verona Syndrome."

Is it a phenomenon that applies only to Verona and the small towns of the surrounding Veneto region, where many of the crimes occurred?

Or is it a parable for all of modern Italy, where the postwar wrench from agricultural to industrial society and the sudden advent of vast wealth have upended what were once viewed as the traditional values of a Roman Catholic nation?

"Certainly these episodes are the warning lights of a malaise," Verona's bishop, Attilio Nitoro, said in an interview. But, he added, they represented a broader "failure of our society to offer young people a challenge for the future" that, in turn, led to "the gestures of gratuitous violence."

"This is a problem of how to live responsibly with a high standard of living, and it pertains

particularly to all of northern Italy," he said. Others see the "Verona Syndrome" as a direct result of the Veneto region's recent evolution from a traditional farming economy to lucrative food processing and light industries that contributed greatly to Italy's economic boom in the 1980s.

"The city of Verona is undergoing a major transformation from agricultural to industrial society," said Michelangelo Bellinetti, a Veronese commentator. "Traditionally, agricultural society was conservative: no risk, no imagination, no confrontation. Industrial society demands the opposite."

"Verona has economic riches, and no cultural identity," he said.

Ferdinando Canon, the Veneto region's best-known writer, called it "a fatal mixture of money and ignorance."

## UN Opens Airport In Bosnia's North

### A Milestone in Peace Efforts

By Chuck Sudetic  
New York Times Service

SARAJEVO, Bosnia-Herzegovina — United Nations officials opened an airport Tuesday in the northern Bosnian city of Tuzla after almost 18 months of pleas by local officials.

The opening came in the morning when a cargo jet carrying United Nations officials and a symbolic load of medicine and other supplies touched down.

No start-up date for aid flights to the former Yugoslav Army air base has been set, said Kris Janowski, a spokesman for the UN High Commissioner for Refugees.

"There are still problems between the Bosnian Serbs and Bosnian government, and we have to hold off until they agree," he said.

While refugee relief officials here publicly assert that cargo flights into the airport would help their effort to supply 350,000 aid-dependent people in the Tuzla region with food and other supplies, the officials concede that the recent reopening of overland routes from Croatia and Serbia has virtually erased the airport's potential importance to the campaign.

"By the time it opens the airport may be superfluous, even for medical evacuations, because there is so little fighting in the Tuzla area," a UN official said. "The political momentum is such, however, that we had to go ahead with opening the airport."

Officials of Tuzla's local government have appealed to the United Nations to open the airport since the fall of 1992, but UN officials balked, fearing armed retaliation by the Serbs and insisting that the area was best supplied by ground convoys.

International pressure for opening the airport climaxed earlier this year after fighting in central Bosnia and intransigence by the Serbs

made the UN food trucks unable to reach thousands of people across large swaths of the Tuzla region.

Nationalist Serbs, who regularly shelled the airport last year from gun positions just a few miles from its perimeter, have long opposed reopening the airport, asserting that the Bosnian Army could use it to transport weapons into the area.

Serbian leaders tentatively agreed to the airport's reopening when Russia pledged to send military observers to monitor shipments into the facility. Those observers have not yet arrived.

### Croats and Serbs Meet

John Kiefer of The New York Times reported from Zagreb:

Croatian representatives began meetings Tuesday with breakaway Serbian nationalists from the Krajina region for the first time in two years under joint Russian, American and European aegis.

While the goal of the talks is relatively limited — consolidation of an existing cease-fire — it represents another step in the rapidly unfolding American and Russian efforts in recent weeks to find a way to end the three-way war in the former Yugoslavia.

With the signing of articles of confederation between once-warring Croatia and the Muslim-led Bosnian government, the pressure is now on the Serbs, who are still at odds with both parties.

The meeting Tuesday was organized by a Russian deputy foreign minister, Vitali I. Churkin, who shuttled between Zagreb, the Croatian capital, and Belgrade. Mr. Churkin, who arranged the last-minute initiative that helped Bosnian Serbs comply with a NATO ultimatum to pull their heavy guns away from Sarajevo, greeted the group at the Russian Embassy in the wooded hills over the old city.

## Clinton Nominates Admiral As Ambassador to London

Reuters

WASHINGTON — President Bill Clinton has nominated retired Admiral William J. Crowe as ambassador to Britain, the White House said Tuesday.

"Admiral Crowe has distinguished himself through four decades of dedicated public service," Mr. Clinton said in a statement released by the White House.

Admiral Crowe, 69, was chairman of the Joint Chiefs of Staff until he retired in 1989.

He is expected to take his new post in the late spring, after confirmation by the Senate. He will succeed Raymond G.H. Seitz.

## Testimony of Mosque Survivors Is Chaotic and Contradictory

By David Hoffman  
Washington Post Service

JERUSALEM — Palestinian survivors of the Hebron massacre testified Tuesday that they heard gunfire from more than one direction during the assault in which 29 Muslim worshippers were killed.

But in their first public statements to the Israeli commission in-

vestigating the Feb. 25 massacre, the Palestinian witnesses offered a chaotic and sometimes contradictory picture of what happened inside the mosque.

Although several of the witnesses said they believed there was a second gunman, none could describe him, and members of the investigating panel pointed out that witnesses had changed their stories from statements given to police and human-rights workers just after the attack.

The Israeli Army has said that a militant settler, Baruch Goldstein,

acted alone in the assault, and that all the bullets fired at the Tomb of the Patriarchs were from Dr. Goldstein's weapon.

The army has also said its investigation discovered no traces of a grenade in the attack. However, a number of the Palestinian witnesses recalled hearing an "explosion" at the onset of Dr. Goldstein's firing. Some also described a bewildering scene in which glass was falling from a chandelier, sparks were flying from bullets hitting the walls and doors, and people were scrambling for safety.

Mohammed Jabari, 29, told the panel that he first heard an explosion shake the mosque, where more than 500 Palestinian men were praying during the Muslim holy month of Ramadan. Mr. Jabari said he turned around and saw Dr. Goldstein firing, wearing protective ear coverings.

Mr. Jabari said he did not see a second gunman, but he added, "I know there was another source of fire because when he was changing magazines there was still fire."

"Maybe there was even a third source of fire," he said. But Judge Eliezer Goldberg of the Israeli Supreme Court repeatedly questioned Mr. Jabari on why his testimony was different from a statement he gave to the Israeli human rights organization B'tselem just after the killings.

"The truth is," Mr. Jabari insisted, "there was more than one source of fire."

Another witness, Abdel Hafez Jabari, also said he heard shooting come from several directions.

He said he had only seen one person shooting, but had heard shooting "from other places as well." When pressed as to why he had not included this in an earlier statement, the second Mr. Jabari said he had been tired when he gave the first statement.

Several of the witnesses complained that the evacuation of the wounded from Hebron was impeded by soldiers, but again the panel seemed skeptical and pressed for specifics.

Abdel Maaz said he was behind an ambulance carrying a badly wounded man when the army forced the ambulance to stop for five minutes. Arafat Quraishi Karaki said soldiers had also prevented Palestinians from taking the wounded out of the mosque from one of the gates. Previous army

witnesses acknowledged that they had closed the gate.

At another point, Mr. Karaki complained at length about a confrontation between Jewish settlers and Palestinians, in which he said he decided not to complain to the police because "there was no point to complain, there are no results."

### U.S. Hopeful on Talks

Dennis Ross, the U.S. Middle East peace process coordinator, said Tuesday that he saw signs the Palestinian Liberation Organization and Israel could agree to restart peace talks frozen for three weeks after the slaying of 29 Palestinians in Hebron, Reuters reported.

"I think we had very productive discussions with Chairman Arafat," Mr. Ross said, referring to Yasser Arafat, the PLO leader. Mr. Ross was speaking after a 90-minute meeting with the Egyptian foreign minister, Amr Moussa.

## Mafia Has a Stranglehold On Vote in Southern Italy

Reuters

ROME — The Mafia controls up to 400,000 votes in Sicily, or 10 percent of the electorate there, a research institute said Tuesday. "This is a real army capable of exercising pressure and conditioning the electoral direction," the Enripes organization said.

General elections in Italy are set for Sunday.

The study said the 45,000 members of Sicily's 150 Mafia families could influence 350,000 to 400,000 votes, mostly through control of people involved in drug trafficking and extortion.

Sicily has a population of 5 million, with nearly 4.3 million of them eligible to vote, officials said.

The Enripes study estimated that the Mafia had an annual turnover of \$28 billion from illegal activities, with as much as 30 percent coming from control of construc-

tion companies and rigged public works contracts.

The Mafia has used financial institutions, such as mortgage and holding companies, to recycle its profits and put them into the mainstream economy, Enripes said.

Organized crime's interest in the elections, the first since a two-year corruption scandal discredited traditional parties, was emphasized on Saturday when gunmen killed an anti-Mafia priest near Naples. The Reverend Giuseppe Diana was killed four days after he and other priests in the town of Casal di Principe had met magistrates to discuss the local Mafia's political connections.

Politicians saw the murder as a warning to voters in Italy's crime-ridden south to back Mafia-supported candidates.

The Mafia has threatened several leftist Sicilian mayors who won office in December's local elections.

## WORLD BRIEFS

### Mexico Mediator Declines Candidacy

MEXICO CITY (Reuters) — The government's envoy in peace talks with rebel peasants, Manuel Camacho Solis, said Tuesday that he would not run for president, ending speculation that he would challenge the leadership of the governing party.

Mr. Camacho, the former Mexico City mayor who earlier left the door open to a challenge to the Institutional Revolutionary Party's official candidate, said he would dedicate himself to bringing a peaceful end to the peasant uprising in southern Chiapas state.

"Between seeking a candidacy for the presidency of the republic, and the contribution I could make to the peace process in Chiapas, I choose peace," Mr. Camacho said. "If people carry on perceiving that my priority is to achieve a candidacy for the presidency of the republic, it would end up harming the peace process."

### Cuba Cuts Defense Budget by 50%

HAVANA (Reuters) — Cuba's armed forces have slashed their budget by half to ease their cost to the nation during the economic crisis, according to Granma, the newspaper of the ruling Communist Party, on Tuesday.

The newspaper did not give comparative figures for the old or new military budget, but noted that the cost-cutting helped reduce the overall state budget deficit. Cuba's total budget deficit in 1993 was more than \$2.2 billion. The report noted that the armed forces were moving toward total self-sufficiency in food.

It also said that the Youth Work Army — soldiers who work in civilian agricultural projects — was now farming produce such as sugar, citrus fruit, coffee and tobacco on 200,000 hectares throughout Cuba. The force was producing 632,000 metric tons of food products a year, the report said.

### Algerian Women Protest Violence

ALGIERS (AP) — Women's groups led tens of thousands at a rally Tuesday to voice their anger over political assassinations and threats against unveiled women during a two-year-old Muslim fundamentalist insurgency.

"Too much blood, too many tears, together we save Algeria," the protesters chanted. "Women have dignity and won't accept shame." Heavy police protection was arranged for the officially sanctioned protest. Estimates of the turnout ranged from 50,000 to 150,000.

The rally was held outside the School of Fine Arts and led by the wife of the school's director, who along with their 22-year-old son was assassinated inside the building on March 5. Militants have targeted journalists, public officials, intellectuals and foreigners in their fight to bring down the army-led government.

## TRAVEL UPDATE

### Japanese to Travel More, Spend Less

TOKYO (Reuters) — More Japanese are likely to travel abroad on vacation this year because tour packages are more attractive and the yen is stronger, but they will not be spending as freely as they once did, a tourism authority said.

"We see a record number of Japanese visiting overseas in 1994 but we think they will spend less," said Hiroshi Kunitatsu, spokesman for Japan's largest travel agency, Japan Travel Bureau.

His company expects 12.4 million Japanese to travel overseas in 1994, compared with an estimated record 11.9 million in 1993. Mr. Kunitatsu said he expected Japanese overseas travelers to spend an average 364,000 yen (\$3,450) per trip in 1994, down 2.8 percent from 375,000 yen in 1993.

A group of 79 American and Canadian tourists were stranded on the Falkland Islands after their Russian cruise ship was impounded for outstanding debts, officials said.

Airline flights on Papua New Guinea are being rescheduled to avoid collisions with flocks of migrating fruit bats. An official said Tuesday that at least two jets had been damaged when they sucked bats into their engines.

Revenue declined at French ski resort hotels this winter despite the return of perfect conditions following years of paltry snow cover. Hotel revenues were off between 10 percent and 20 percent from last year even though the number of tourists was steady and snow plentiful, the Tourism Hotel Federation said Tuesday. Skiers sought cheaper hotels even though most establishments offered cut rates this season, it said.

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مركز الاتصال





## Vatican Reacts Stance on Pious Virtues and Dilemmas

VATICAN CITY — The Vatican's stance on the Church's role in the world is a subject of debate. The Holy See's position is often seen as a balance between moral principles and practical concerns. The Church's stance on the use of force, for example, is a topic of ongoing discussion. The Vatican's position on the environment is another area of interest. The Church's stance on the use of nuclear weapons is a topic of ongoing discussion. The Vatican's position on the environment is another area of interest. The Church's stance on the use of nuclear weapons is a topic of ongoing discussion.

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## The Empty Threat Over North Korea

### How Could an Embargo Hurt A Nation That Does Without?

By David E. Sanger

New York Times Service

TOKYO — From the first talk a year ago about imposing economic sanctions on North Korea, the Clinton administration and its allies in Asia have been confronted with a peculiar quandary: How do you isolate the world's most isolated nation?

Unlike almost every other nation in the world, North Korea has long made *juche*, or self-reliance, part of the national religion, a central feature of the ideology of Kim Il Sung, the North's "Great Leader." To rely on any other nation, he told his people in 1955, a decade after Stalin thrust him into power in 1945, is ultimately to compromise the country's political independence.

While Mr. Kim, 81, has violated his own principles often — relying on China and on the former Soviet Union to support his economy — he has trained two generations of North Koreans to go without, and do so without public complaint. In the next several months, the world may discover whether Mr. Kim's form of xenophobic nationalism, backed up by brutal social controls, is also an effective defense strategy.

So far, there is no economic embargo against Pyongyang, but the Clinton administration has made it clear that one is virtually inevitable unless Mr. Kim relents, and allows international inspectors free run of the North's nuclear sites.

But one reason the United States keeps letting deadlines slip, and always describes sanctions as the next step after giving North Korea one more chance, is that many in Asia feel they will not work. Even if China and Japan, the North's biggest trading partners, have the political will to risk a confrontation with the North — which is still doubtful — they may have little effect on a country that some estimates import only 10 percent of what it consumes.

"Sanctions can be a very long, drawn-out process that gradually puts a squeeze on North Korea," Kim Kyung Won, the president of South Korea's Institute of Social Sciences and a former ambassador to the United States, said recently. "But will they change the minds of the North Korean regime?" he asked, and persuaded them to "throw open the doors" to Yonghyon, the country's secret nuclear installation.

"Would it bring about a political collapse? In a country that has survived with so little for so long, it is hard to see how."

In theory, sanctions should not be difficult to enforce, with only 10 percent of North Korea's economy coming from external trade. The numbers are shaky, because the North publishes virtually no economic statistics.

Unlike Iraq, North Korea's trading partners are few. There is cash flowing in from Japan, almost all of it from the wealthy Korean-Japanese community, much of it paid in hopes of aiding relatives. Though no one knows how much is involved, intelligence estimates in Japan vary from \$600 million to \$1.6 billion a year, most of it moving in cash.

There is oil, clothes and rice from China, though the supply across the rickety railroad bridge over the Tumen River, the barren border

between the two countries, has dwindled as the North Koreans have run out of hard currency. There is more oil from Iran, to return, according to the Central Intelligence Agency, for North Korea's missile technology.

Russia is still a supplier, but its volume of trade with North Korea is believed to have plummeted. The North's biggest business in Russia is operating logging camps in the Russian Far East, surrounded by

### NEWS ANALYSIS

barbed wire and populated by North Korean workers who, defectors say, are virtual slaves, forced to cut down trees from dawn to late into the night.

Some South Koreans say that all those supplies are strategic, and North Korea would collapse without them.

"It could be devastating," said Chia Young Koo of the Institute for National Defense, and one of those urging a harder line. "I think that when people say that the North Koreans can endure economic sanctions, they're overrating the North's ability."

But as the United States has learned from other embargoes, cutting off those few links with the outside world is never as simple as it looks. Many doubt if China and Japan, each for very different reasons, have the political will to cut North Korea off as part of an American-led effort to stop one of the world's biggest proliferation threats. And even if they agreed on paper, the embargo would be enormously difficult to enforce without stopping and boarding ships at sea — especially to halt the Iranian oil tankers — an act that North Korea has already said it would regard as tantamount to war.

"I don't like the word 'intimidated,'" a senior Japanese official said the other day, asked if his country's continued reticence about sanctions is rooted in a deep fear that Japan could suddenly find itself swept into a conflict about which the Japanese public has stayed blissfully unaware.

"We are cautious," he said. "To make North Korea even more emotional would be counterproductive."

Stopping the funds from Japan is, perhaps, the best example of the political and technical complexities of enforcing an embargo on the cultural quicksand of Asia.

There is no secret about the flow of money. In a popular movie about Japanese-Koreans, "Which Way is the Moon," the lead character spends a good deal of time converting wads of cash in a box about to be shipped off to their relatives in the North.

Nor are there many doubts about how the money gets from Osaka's pachinko parlors — a pinball-like game and multibillion-dollar business that is dominated by Koreans — to the government leaders in Pyongyang. Japan devotes nearly half its foreign intelligence effort to tracking the North Korean community here, especially the Chosun Soren, the organization that represents many of the 300,000 Koreans in Japan who profess some loyalty to North Korea.

"We know who goes in and out of North Korea," a senior Japanese official said, "and we know what banks they use for dummy accounts."

## A Defector Warns South Of Chemical Destruction

Compiled by Our Staff From Dispatches

SEOUL — North Korea has built a huge arsenal of toxic chemicals in case of war with South Korea, a defector from the Communist state said Tuesday.

The defector, Sergeant Lee Chung Kuk, 26, said that "North Korea has enough chemical weapons to destroy the southern part of the peninsula without using nuclear weapons."

Mr. Lee, whom authorities identified as belonging to a biological and chemical unit near Pyongyang, was the first North Korean chemical warfare soldier to defect to South Korea. He arrived in Seoul last week by way of an unspecified third country.

"They have built vast chemical weapons that are powerful and toxic enough to kill 40 million South Koreans," Mr. Lee said at a government-arranged news conference.

South Korean officials have warned that the North Korean military has one of the world's largest chemical units. Some experts say that the North's medium-range missiles, with a range of 1,000 kilometers (600 miles), can carry chemical as well as nuclear warheads.

Mr. Lee said he had defected because he was blacklisted and had no chance for promotion in the North Korean Army. He left his unit in November and crossed the border into China a few days later. He said the North's 1.1 million-member army was on high alert, and that all of its enlisted men were required to shave their heads in October as part of stepped-up preparations for war.

(AP, AFP)

## KOREA: 'Brink of War'

Continued from Page 1

Korea has already built a nuclear weapon.

In Seoul, many officials think the nuclear question is more ambiguous than that. "Nobody really knows," said Kim Sam Hoon, special assistant for nuclear matters to the Foreign Ministry. "If they really want to develop nuclear weapons or if they just want to pretend to have a card in their pocket for negotiating."

Some observers in Seoul say they find it unusual that the United States has portrayed the North Korean regime as a potential danger to the world. "North Korea is a starving little country with a GNP probably smaller than Albania's, and Washington treats it like some great threat to world peace," said a senior Western observer here.

"Is this a nuclear card they are playing?" he asked. "We don't know that yet. We know that the Chinese have sheer contempt for the level of technology to North Korea. And yet Washington is carrying on like North Korea has the capability to destroy the world by itself."

American officials counter that one reason North Korea is such a poor country is that the ruling clique has poured all its development money into weapons. "They deprive their people of the basics so they can put more money into this nuclear weapons program," a Pentagon official said.

President Kim said Tuesday that he would discuss the North Korea situation when he visits Japan and China this week and next.



## Khmer Rouge Blocks Flights to Ex-Base

Compiled by Our Staff From Dispatches

KON DAMREI, Cambodia — Stiffening Khmer Rouge resistance around its former base at Pailin has forced the Cambodian Army to

ease resupply and medical flights to the war-battered town, government soldiers said on Tuesday.

A helicopter flight that had been scheduled to take United Nations military observers and foreign military attaches to Pailin was canceled on Tuesday, officials said.

A government soldier said that the army was being forced to use another landing site about four kilometers away, which had also come under attack. The soldier, like the other 10 men in his squad, was dressed in Khmer Rouge uniform and wore no Cambodian Army badges.

The men said they belonged to a 70-member special forces unit that spearheaded the assault on Pailin accompanied by tanks.

There had been reports that spe-

cial forces dressed in Khmer Rouge uniforms led the attack on Pailin, but they have not been officially confirmed.

The soldier, who gave his name only as Ney, said that after the attack on Saturday the rebels had scattered from Pailin and split into small groups that attacked the town three or four times a day.

"They have so much ammunition," said another soldier in the squad, referring to the Khmer Rouge. "They seem to keep it everywhere."

The Cambodian Army has said that it captured Pailin at 6 P.M. on Saturday. It is continuing to pour in men and equipment to support scores of fortified bases being established along access routes to and around the town.

The fall of the Khmer Rouge

base set off an exodus of guerrillas and their followers to Thailand, but analysts say they believe the Khmer Rouge will return to fight another day.

Diplomats, government soldiers and independent military analysts have questioned the wisdom of the army's offensive against Pailin, saying it could be difficult to hold and vulnerable to counterattack.

The base, 12 kilometers from the Thai border, is surrounded by densely forested hills that offer ideal positions for artillery, they say.

Soldiers returning from the front line reported heavy fighting over the last 48 hours around strategic hilltop positions near the town.

Diplomats say the government's ability to hold on to Pailin depends to a large degree on the attitude of Thailand, which denies that it sup-

ports the Maoist guerrillas. But Thai businesses have benefited greatly from gem and timber mining concessions from the Khmer Rouge at Pailin, creating a confluence of interest between the guerrillas and local Thai civil and military authorities.

At present, tanks are the only vehicle that can reach Pailin from Kon Damrei, 16 kilometers to the east. Heavy thunderstorms have rendered access by wheeled vehicles almost impossible and hilly roads have to tow trucks and field guns.

The government has not released casualty figures for the fighting around Pailin, but it says that the Khmer Rouge abandoned large quantities of supplies in its haste to withdraw.

(Reuters, AP)

## China Shifts Tone On U.S. Relations But Not on Rights

By Lena H. Sun

Washington Post Service

BEIJING — Prime Minister Li Peng struck a more conciliatory tone to describing relations with the United States on Tuesday, noting that Beijing had already taken steps to improve relations and saying it would continue to do more in the future.

His comments were a shift from Beijing's initial harsh assessment of U.S.-China relations after the recent visit of Secretary of State Warren M. Christopher.

Mr. Christopher's visit was marked by sharp exchanges over human rights as authorities detained more than a dozen pro-democracy activists before and during his trip.

But even as Mr. Li adopted a more moderate stance, a strident editorial in a leading Chinese newspaper blasted as meddling in China's domestic affairs "foreigners with ulterior motives" who seek the release of political prisoners.

The seemingly contradictory stances underscored the sharp differences within the ruling Communist Party over what further human-rights concessions, if any, may be forthcoming from Beijing.

Speaking Tuesday at the conclusion of the National People's Congress, the rubber-stamp parliament, Mr. Li said Mr. Christopher's visit was helpful as Washington weighed renewal of Beijing's low-tariff trade status in coming months. He said Mr. Christopher's personal meetings with Chinese leaders had succeeded in giving each country a clearer view of the other's positions.

"This may perhaps help the United States, through careful considerations, to make decisions in the next few months that will be in keeping with the interests of both the United States and China," he said.

"I would like to take this opportunity to reassert that China is ready to improve Chinese-American relations," he said. "China has already made efforts in this regard and it will continue to do so in the future."

Under an executive order issued last year, President Bill Clinton must decide in June whether Beijing has made enough progress on human rights to merit an extension of its most-favored-nation trading status.

The trading status is critical to China's booming economy. If the status were revoked, Hong Kong, Taiwan and American investors in China would also suffer.

Mr. Clinton has said there must be "overall significant progress" in several human rights areas. Chinese officials have made some minor concessions. They have supplied some information about political prisoners, promised to take reports from American technicians on the jamming of the Voice of America, agreed to permit inspections of prison labor camps suspected of exporting products made by prison labor to the United States, and said they would continue to talk to the International Committee of the Red Cross on access to prisons.

In its editorial Tuesday, the official Enlightenment Daily criticized "some people abroad" who "time and again put forward lists of names of allegedly persecuted people of various kinds and ask, in disregard of the laws of China, for earlier release of prisoners on the lists," the official Xinhua news agency reported.

In suggesting concrete steps that China could take on human rights, U.S. officials have repeatedly sought the release of about 30 political prisoners who reportedly require urgent medical treatment.

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## Pretoria's Forces Take Charge After A Mutiny in Ciskei

By Bill Keller  
New York Times Service  
JOHANNESBURG — South Africa took command of another riotous black homeland on Tuesday and closed in on the last and most explosive bastion of resistance, the Zulu homeland ruled by Mangosuthu Buthelezi.

Ten days after deposing the ruler of Bophuthatswana, the multiparty authority that presides over the South African transition sent representatives Tuesday night to replace the president of Ciskei, an apartheid homeland designed for the Xhosa people, following a mutiny by homeland police and soldiers.

But attention was already turning to KwaZulu, the stronghold of Chief Buthelezi's election boycott, which was under mounting pressure from inside and out.

Within the homeland, political violence escalated beyond its deadly usual, leaving more than 60 dead since Friday and hundreds of thousands in flight. Worse was feared as the African National Congress exhorted homeland civil servants to rise up against Chief Buthelezi and announced plans for a series of street protests.

From Pretoria, the Transitional Executive Council took the first steps toward limiting Chief Buthelezi's power to prevent him from thwarting free political activity.

Investigators working for the transitional body recommended a cutoff of all weapons to Chief Buthelezi's police, citing evidence

that the homeland force had organized hit squads to kill members of the rival African National Congress.

The multiparty panel that is overseeing the government until the April 26-28 elections is debating a number of more stringent moves against Chief Buthelezi, including absorbing his homeland police force into the South African police and sending army units to protect the election campaign.

Partisans on both sides said KwaZulu appeared to be spinning slowly into the same political whirlpool that demolished the homeland of Bophuthatswana less than two weeks ago.

Bophuthatswana, the homeland designated for the Tswana, refused to take part in the elections, but was brought down by civil servant strikes, student riots, and the turnabout of the homeland soldiers and police.

But while Bophuthatswana's leaders had little popular support, in KwaZulu the defiance is fired by devotion to the Zulu king, Goodwill Zwelithini. Zulu nationalists, moreover, are armed to the teeth and seasoned by nearly a decade of factional warfare.

The 10 homelands created under apartheid as reservations for blacks are to be abolished by the new constitution that takes effect April 27. All but KwaZulu have agreed to this fate.

Ciskei held out until January, when the military dictator of the homeland, Brigadier Oupa Gqozo, bowed to pressure from his military



A youth demonstrating Tuesday for voting rights for prisoners. He was outside the Transitional Executive Council offices in Pretoria.

and agreed to abide by the election results.

But the homeland police did not trust him. They worried that he might siphon off their pension funds before the elections, and demanded the money be paid to them. When he balked, they mutinied, taking at least 15 senior officers hostage.

In one of the more bizarre moments of the South African transformation, Ciskei police who had ruthlessly enforced the brigadier's ban on political opposition on Tuesday shouted, "Viva ANC."

One policeman called on his brethren to stand in respect for "all the unnecessary lives" they had taken, according to the South African Press Association.

### Request for Help Cited

The South African Foreign Ministry said that South African troops and the police had moved in to Ciskei after it asked for help from Pretoria, news agencies reported Tuesday from Johannesburg.

A Foreign Ministry statement said that the homeland leader, Brigadier Gqozo, had "telephoned to say the situation was out of hand and there was danger of large-scale conflict and bloodshed."

In another development related to the homelands, President Frederik W. de Klerk warned Tuesday that his government would take "very firm steps" if violence prevented campaigning and free voting in KwaZulu.

(Reuters, AP, AFP)

## AIDS Tragedy Catches Up With Zaire

### Political Chaos Wrecks a Once-Successful Prevention Effort

By Kenneth B. Noble

New York Times Service

KINSHASA, Zaire — While many African countries denied the existence of an AIDS problem for much of the last decade, Zaire was different. It had a vigorous prevention campaign, the continent's best-equipped laboratories outside South Africa, and a steady flow of money from abroad.

These days, Zaire's fortunes have never seemed bleaker. Recent surveys and anecdotal evidence suggest that the epidemic is accelerating at a startling rate. Some hospitals report that close to 80 percent of their patients are infected with HIV, the virus that causes AIDS.

Scientists and doctors fear that if the current trend continues, Zaire's infection rate may soon exceed those of Uganda, Rwanda, and other East African countries hard-hit by the virus, sowing death, disease and fear among tens of millions.

The sharp reversal in this central African country's efforts to fight the epidemic was brought on by two events: Zaire's descent into chaos as President Mobutu Sese Seko, the longtime autocrat ruler, has slung to power in the face of popular discontent, and the subsequent withdrawal of virtually all economic aid by Western donors. AIDS prevention programs and research have collapsed, and medical workers lack even the money to test blood.

"Zaire is facing a tremendous tragedy," said Dr. Helene Gayle, AIDS coordinator for the U.S. Agency for International Development, in Washington.

Dr. Eugene Nzilambi, director of a research program known as Project SIDA, for the acronym in French for acquired immune deficiency syndrome, said: "I hate to think what will happen if things continue this way. We're back to where we started a decade ago in terms of education and prevention."

He added: "The only thing for sure is that the worst is yet to come."

Like many African nations where infection rates soared in the early 1980s, Zaire first reacted by denying the severity of the epidemic.

It was not until 1987 that the first case of AIDS was officially reported among Zaire's population of about 35 million. Then, government officials here quietly made it known that they were receptive to foreign scientists and public health specialists who wanted to study what many viewed as the epicenter of a worldwide scourge.

In 1984, Project SIDA, the con-

ment's largest AIDS research program, was started in Kinshasa at Mama Yemo Hospital, which is named after Mobutu's mother.

It is not entirely clear why Zaire's leaders, who have often displayed a suspicion of Western scientists, journalists, and even teachers, allowed the Centers for Disease Control in Atlanta and the National Institutes of Health, Project SIDA's main sponsors, to carry out intense and painstaking research on tens of thousands of Zairians.

Some say it was because many in Zaire's social and political elite were themselves falling victim to the disease, at rates conspicuously disproportionate to their numbers, and thus had a personal stake in encouraging research.

"Rich people here suffer more from the disease than poor people do, because when the first opportunistic sickness hits poor people, a chest cold or whatever, then they die because they cannot afford the treatment," said John Lofin, an American who has lived in Zaire for 22 years and now heads a condom distribution program. "However, someone with some money is able to go to the hospital, and it goes on, and on and on."

## Yeltsin Is 'Even Busier' On Vacation, Aide Says

The Associated Press

MOSCOW — Boris N. Yeltsin is hard at work and even busier than before he left for a seaside vacation last week, a senior aide said Tuesday in the latest Kremlin attempt to portray the president as vigorous and in control.

Sergei A. Filatov, Mr. Yeltsin's chief of staff, said that Mr. Yeltsin had signed 81 decrees and presidential directives since arriving in the Black Sea resort of Sochi on March 14, the Inter-Tass press agency reported.

"These days were even busier and more effective for the work of the head of state than the days immediately before the vacation," the agency quoted Mr. Filatov as saying.

Mr. Yeltsin's absence from Moscow and renewed attacks by his political enemies have fueled rumors about a possible coup by senior government officials. The president's aides have denounced the rumors and issued statements that Mr. Yeltsin, 63, is in good health.

Prime Minister Viktor S. Chernomyrdin described speculation about Mr. Yeltsin's health as insulting, Inter-Tass reported.

Mr. Chernomyrdin made the remarks after meeting in Sochi with Mr. Yeltsin on Tuesday to discuss economic and political problems. "Somebody must be interested in destabilizing the situation," the agency quoted Mr. Chernomyrdin as saying.

Mr. Filatov accused the leaders of an abortive October revolt, who were recently released from prison, of trying to "create a new confrontation against the president."

The Russian prosecutor-general's office opened an investigation Monday into a newspaper report that senior government officials had considered overthrowing Mr. Yeltsin.

State television showed footage Monday night of Mr. Yeltsin, sitting in a lawn chair and talking energetically to Mr. Chernomyrdin.

Mr. Yeltsin is scheduled to return to Moscow later this week.

September 1991, after disgruntled soldiers seeking back pay went on a rampage, pillaging homes and shops and setting off violence that left dozens dead.

Since then, Zaire's economic collapse has accelerated as many of the foreigners who held vital technical and managerial positions have fled.

One result was the abrupt closing of Project SIDA. After the September 1991 rioting, the project's nine foreign scientists — six Americans, two Belgians, and a Frenchman — were evacuated. A local staff of about 200 doctors, nurses, and technicians was left to guard against looters, but research effectively ended.

"We are completely bankrupt; there's no money at all," said Dr. Nzilambi, a Zairian educated at the Johns Hopkins School of Medicine, in Baltimore, who now heads the project. And while the government does provide some money to keep the operation from shutting its doors entirely, it is meager even by local standards, he said. For example, he cited his own government salary, which now amounts to about \$5 a month.

From a public health perspective, doctors and public health specialists say, many Zairians have become dangerously indifferent to the dangers posed by AIDS and complacent about taking steps to avoid infection.

In particular, many Zairians, out of ignorance or denial, continue to have unprotected sex with multiple partners. The number of garishly dressed young prostitutes along Boulevard June 30, the city's main thoroughfare, has visibly risen in the last six months, reflecting a growing number of customers.

### Thatcher Recovers in Chile

The Associated Press

SANTIAGO — Former Prime Minister Margaret Thatcher of Britain said she was "feeling much better" Tuesday after fainting a day earlier while delivering a speech. Mrs. Thatcher said she planned to go ahead with most of her planned activities, including a visit to a local English school and dinner with a former president, General Augusto Pinochet.

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## EUROPE: Full-Blown Voting Crisis Looks Likely to Stall EU Expansion

Continued from Page 1

amount to an unacceptable modification of the Union's founding treaties. During Tuesday's meeting he threatened to resign if London prevailed in the dispute, according to Foreign Minister Willy Claes of Belgium.

Foreign Minister Klaus Kinkel of Germany, which has been the driving force in the enlargement negotiations, also saw little chance of a breakthrough.

"Today I no longer say that I am cautiously optimistic," he said.

A German official said privately that the best hope of breaking the deadlock may have to await the June elections for the European Parliament. If British Conservatives are trounced then, as current polls indicate they will be, it will be hard for Mr. Major to persuade his EU colleagues that he must go to the wall on the voting issue for domestic political reasons, the official said.

The European Parliament holds the key to

the enlargement timetable because it must ratify the membership accords of the four candidate countries. If Parliament does not give its assent before breaking for the elections in early May, it will have to start all over again beginning in September.

There was little sympathy for Mr. Major's position in the Parliament, where most members have vowed to reject the enlargement pacts if Britain wins its way on voting rights.

"The British will be to blame if the enlargement fails," said Jean-Pierre Cot, the French leader of the Socialist bloc in Parliament.

The addition of the four new states will raise the total number of votes in the Council of Ministers, the EU body that passes legislation, to 90 from 76. Ten EU states believe that the minority needed to block legislation should be raised to 27 votes — three large states or two large ones and two or three small ones — to ensure that enlargement does not weaken the bloc's ability to make decisions.

"This is not a banal quarrel about figures, but

one in which the philosophy of European construction itself is at stake," Mr. Juppé said.

Britain is demanding that the blocking minority be kept at the current 23 votes, or two large states and one small one.

"We only just managed, several of us, to ratify the Maastricht treaty," Foreign Minister Douglas Hurd said, adding that many people in Britain regarded that treaty "as a centralizing move too far." Any change in voting rights will have to await a 1996 intergovernmental conference that is designed to review all aspects of how the Union functions, he said.

At the ministers' meeting on Tuesday, Britain rejected a Greek proposal to postpone decisions on issues where there were 23 votes opposed. EU officials said most countries were willing to offer a political commitment to seek a compromise solution in such cases, but would not give in to Britain's demand for a legally binding commitment not to proceed with legislation against the wishes of two large states and one small one.

## MINES: In Tundra, Jungle and Desert, Rich Lodes Are Being Reopened

Continued from Page 1

general manager of Britain's Blue Circle Industries PLC, a resource extraction company.

For miners, Chile "is where other countries have a chance to be 10 years away," said Douglas Yearly, chairman and chief executive of Phelps Dodge. "There's potential in southern Africa. There's potential in Peru. There's potential in certain areas of the Far East, from Thailand southward through Malaysia and Indonesia. If you go further, if you're a visionary, you can think about Eastern Europe" and the former Soviet Union, he said.

Ostracized at the height of the Cold War because of its repressive generals, paramilitary death squads, social conflicts and inhospitality to foreign investment, Chile has completed an extraordinary turnaround to democratic capitalism.

Like scores of other developing countries and much of Latin America, beginning in the 1950s Chile sought to raise itself from poverty by sealing off outside economic forces, nationalizing foreign-owned assets such as mines and developing its own industries behind walls of trade protectionism.

That strategy brought some social benefits, such as enormous state-subsidized employment, but it failed to generate sustainable economic growth. Now Chile, after some false starts, has fully torn down trade barriers, reordered its economy toward global competition and erected welcome signs for the same foreign multinationals it used to scorn.

Because Chile is rich in minerals, Western natural resource companies have come rushing back, despite memories of being summarily thrown out 25 years ago. At least 30 copper companies are digging in Chile today. The country accounts for about one-third of the world's announced copper exploration and development projects. Future deals involving foreign companies may add as much as 3 million tons to global copper production by the year 2000, according to mining analysts. That is more new copper than all of the 1992 output from Chile, the world leader.

Within Chile and without, the global change in economic development strategies has confronted Western mineral explorationists with an embarrassment of riches.

Mining trade journals brim these days with glossy color supplements from such Third World countries as Niger and Burkina Faso whose governments have lately shed xenophobic policies and started hawking maps of uncharted prospects.

Kazakhstan reportedly is preparing a list of more than 3,200 mineral deposits that it intends to offer to foreign investors over the next few years.

Newmont Mining Corp. of Denver recently leased 6,493 square kilometers (2,507 square miles) of Laotian jungle to dig for gold and announced a \$90 million investment in an existing Uzbek mine. The Colorado-based Cyprus Minerals Co. has pledged to develop a \$100 million Siberian gold property.

Vietnam is negotiating agreements with a consortium of Australian mineral extraction companies not only for exploration but also for land management systems.

A big risk for the mining pioneers is global oversupply. With so many countries in the developing and formerly Communist worlds seeking to stimulate trade-driven free market programs by digging up their buried wealth all at the same time, the potential for a sustained glut of metals and other commodities is daunting.

"That's the \$64,000 question," said Mr. Yearly of Phelps Dodge, which is committing \$550 million, with Sumitomo Corp., to its Chilean project. "My judgment is that's probably not going to happen. But my judgment is dependent on a robust world economy in the next couple of years."

Copper, the most important metal for Chile and Phelps Dodge, has avoided an acute crisis so far, though prices lately have sunk under pressures from oversupply. But in other metal markets, a surplus is already arriving, caused mainly by a flood of exports from rapidly reforming economies of the former Soviet

Union, China and other previous Communist bastions.

Despite fears of oversupply among commodity producers, investment in newly available mine prospects in countries such as Chile shows no sign of let-up. Many resource companies see the Cold War's end as offering once-in-a-lifetime opportunities to those willing to be bold.

Phelps Dodge, for instance, estimated the costs of its La Candelaria project in Chile on an assumed copper price of 85 cents a pound but did not turn back even as copper prices fell well below that mark. The mine represents the highest venture outside North America in the company's history.

Western resource investors are welcomed openly in today's Chile, but the government continues to own and operate the giant copper company that grew out of the 1970s nationalization: Corporación Nacional del Cobre de Chile, better known as Codelco, the largest copper producer in the world.

Codelco's open-pit mine at Chuquibambilla — an awesome, vertigo-inducing expanse more than 3 kilometers long, 2.5 kilometers wide and 800 meters deep — is the world's largest excavated hole. That mine alone generates a sixth of Chile's national budget. The El Teniente mine in Rancagua, 115 kilometers south of Santiago, is the world's largest underground copper mine.

Despite occasional suggestions that Codelco be privatized, particularly by conservative candidates in Chile's most recent elections, few believe this is in the cards.

Chileans argue that this mixed approach — letting foreigners pay for extraction rights and operate mines while the Chilean government keeps Codelco as well as minority ownership in foreign-operated mines — makes sense.

"If there is a more profitable business than investing \$40 million and getting \$400 million for it, we'd like to hear about it," said Sergio Jaraa-Gibert, Codelco's manager of development at Chuquibambilla, referring to the promises in recent joint-venture deals.

## STAR: Removal of BBC From Murdoch's China Menu Signals Rethinking

Continued from Page 1

have sought to control the distribution of satellite channels," said Peter Vesey, vice president of CNN International in Atlanta.

Increasingly, international broadcasters — driven as much by commercial logic as much as political sensitivity — are trying to tailor their services to individual markets.

The move by News Corp., one of the world's most potent media forces, was a tacit acknowledgment that the ideal of a pan-Asian network badly needs retooling. Mr. Murdoch and News Corp. will now take a country-by-country approach both in terms of programming and politics. The BBC is planning more customized broadcasts, translating its service into a number of languages.

"It is not a retreat. It is a change of emphasis," said Bob Phillips, BBC deputy director general and chairman of World Service Television.

"The days are gone when you can broadcast into markets without local partners and local content," said an executive at a rival international Western broadcaster, who asked not to be identified.

STAR TV's chief executive, Gary Davey, at

an industry conference in Hong Kong, said the move to axe the BBC was a "purely commercial" decision based on a lack of capacity on the satellite it uses to beam its five-channel format into 38 countries across Asia.

"We've never received a formal complaint," he said, denying the suggestion that his network had acquiesced in pressure from Beijing.

"We remain convinced the pan-Asian concept is correct," said Mr. Davey, who recently came over from Mr. Murdoch's British Sky Broadcasting Ltd., which he led into profitability. "But we think it needs refinement. We are going to pay greater attention to local needs, tastes and sensitivities."

News Corp., which purchased control of the STAR TV for \$525 million in July from the Hong Kong conglomerate Hutchison Whampoa Ltd. and the family of its chairman, Li Ka-shing, has publishing, entertainment and broadcasting properties on four continents.

Citing concerns about an uncontrolled invasion of Western values, several countries in Asia have moved to restrict foreign programming to distribution on land-based cable networks that can be more easily controlled by licensing.

China, where STAR TV believes it has 30 million viewers, has recently curbed the sale and ownership of increasingly popular satellite television dishes.

The trend toward tighter control over STAR TV and other satellite broadcasters in Asia has helped protect local advertising revenues and domestic broadcasters whose programs were losing viewers to imported, raucous entertainment.

The arrangement under which the BBC will continue to broadcast over STAR TV to the Indian subcontinent is "a good compromise for the BBC," said one television executive, who noted that the BBC had long pinned the bulk of its hopes on serving the huge Indian market. There is access now guaranteed until March 1996, by which time other satellites will be available in case STAR TV should then decide to cut the cord in the BBC altogether.

Mr. Irwin, the World Service Television chief, said the BBC was "actually quite pleased."

"We have now secured our position on the southern beam," he said.

## Washington & World Business

THE OUTLOOK FOR GLOBAL PARTNERSHIP  
WASHINGTON, D.C. APRIL 21-22, 1994

April 20

■ Ronald H. Brown U.S. Secretary of Commerce, will be our guest speaker at the opening dinner to be held at the Corcoran Gallery of Art.

April 21

■ A FOREIGN POLICY FRAMEWORK FOR THE POST COLO WAR ERA  
■ Warren M. Christopher U.S. Secretary of State

■ A REPUBLICAN RESPONSE  
■ Senator Malcolm Wallop R., Wyoming

■ BEYOND THE URUGUAY ROUND  
■ Ambassador Rufus Yerxa Deputy U.S. Trade Representative

■ AMERICA'S GLOBAL TRADE OBJECTIVES: STRUGGLING TOWARDS EQUITY  
■ Senator Max Baucus D., Montana

■ THE CLINTON ADMINISTRATION: SUCCESSES & SETBACKS  
■ Senator Nancy Landon Kassebaum R., Kansas

■ THE CHANGING U.S. FINANCIAL SERVICES SECTOR  
■ Robert D. Hormats Vice Chairman, Goldman Sachs International

■ THE INTERNATIONAL TELECOMMUNICATIONS RACE & THE AMERICAN INFORMATION SUPERHIGHWAY  
■ Larry Irving Assistant Secretary for Communications & Information, U.S. Department of Commerce

■ Gerald H. Taylor Executive Vice President, MCI Communications Services

■ EXPANDING BUSINESS OPPORTUNITIES IN THE MIDDLE EAST  
■ Amnon Netushch Economic Minister, Embassy of Israel, U.S.A.

■ Sani Nusselbehl Fellow, Woodrow Wilson Center, Washington, D.C.

■ Toni Verstandig Deputy Assistant Secretary, U.S. Department of State

■ Moshe Wertheim President, Israel-American Chamber of Commerce & Industry

■ THE CHANGING BUSINESS ENVIRONMENT IN CENTRAL & EASTERN EUROPE  
■ John Baitay European Counsel, Shearman & Sterling, Budapest

■ Marcelo Selowsky Chief Economist for Europe & Central Asia, The World Bank

■ Frank Varga Deputy Assistant Secretary, U.S. Department of Commerce

■ HEALTH CARE REFORM: THE IMPLICATIONS FOR BUSINESS  
■ Gregory Lawford Head of the Health Care Campaign, The White House

■ Dana Priest Principal National Desk Reporter on Health Care Reform, The Washington Post

■ Tom A. Scully Partner, Patton, Boggs & Blow, Washington, D.C.

■ Donald Striber Counsel, U.S. House of Representatives Committee on Energy and Commerce

April 22

■ THE ADMINISTRATION'S DOMESTIC ECONOMIC PROGRAM: IS IT ON TRACK?  
■ Robert E. Rubin Assistant to the President for Economic Policy

■ AN OUTSIDER'S VIEW  
■ Hobart Rowen Columnist, The Washington Post

■ THE INTERNATIONAL FINANCIAL INSTITUTIONS: ARE THEY DOING THEIR JOB?  
■ H. Onno Ruding Vice Chairman, Citicorp/Citibank

■ U.S. ECONOMIC RELATIONS WITH EUROPE  
■ Lawrence H. Summers U.S. Under Secretary of the Treasury for International Affairs

■ THE HEART OF THE MATTER: COMPETITIVENESS IN AMERICA, EUROPE & ASIA  
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The fee for the conference is US\$ 1,250. This includes the opening dinner on Wednesday, April 20, both lunches, the cocktail reception and all documentation. Fees are payable in advance and will be refunded less a US\$ 125 cancellation charge for any cancellation received in writing on or before April 14, after which time we regret there can be no refund.

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# Herald Tribune

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## Facing Up to North Korea

### Try Limited Sanctions

North Korea can still avoid a confrontation with the international community by keeping the promise it made earlier this month and allowing inspectors back into its nuclear sites to complete their work. Otherwise it may soon face economic sanctions for its noncompliance with the Nuclear Nonproliferation Treaty.

Pyeongyang's obstinacy may leave President Bill Clinton no choice but to press for limited economic sanctions through the United Nations. But in doing so he needs to hold open the door to dialogue, which is the only way out of his, and North Korea's, nuclear predicament.

Mr. Clinton should be in no hurry to heed the advice of congressional hawks, who see economic strangulation and military posturing as the only way to bring North Korea around. If he pushes too soon for overly tight sanctions, he may end up confronting his Asian allies instead of North Korea. And if he does not carefully calibrate his military moves, he may stumble into war.

The International Atomic Energy Agency sent the right message on Monday. It told North Korea to let its inspectors do their job. And it informed the United Nations Security Council that Pyongyang had failed to live up to treaty obligations, triggering consideration of unspecified economic sanctions. Even China, which has counseled patience, abstained—a sign of the North's deepening isolation.

Hawks see tight sanctions as a way of causing North Korea's economic collapse. But America's allies, South Korea and Japan, have reason to fear the consequences of col-

lapse: having to cope with a flood of refugees and, for a rapidly developing South, having to support an economic basket case in the North. They also fear that an embittered Kim Il Sung could order his million-man army south.

Given these fears, the allies are likely to stop short of voting for truly tight sanctions that could strangle the North by cutting off its supply of oil. And China, even if it does not veto sanctions, might hesitate to carry them out. That is why any effort to impose tight sanctions immediately may prove fruitless.

Unfortunately, a limited embargo may have little more than symbolic impact on an already autarkic North. That is a chance the United Nations should take while gradually increasing pressure on North Korea. But no matter how tight the sanctions, they will leave the North free to produce plutonium for bomb-making. That will infuriate hawks, who already are rashly calling for military action.

Limited military moves make sense. South Korea has now accepted deployment of Patriot anti-missile batteries, which afford air bases and ports some protection against North Korean missile attacks. But South Korea and the United States have no need to rush ahead with joint military exercises. And more aggressive military moves will be mostly bluff. There is no attack that could surgically excise the North's nuclear program without risking all-out war on the Korean Peninsula. Indeed, no one knows how to target bombs that cannot be found. But Mr. Clinton, not the hawks, will be held responsible if their glit advice misfires.

—THE NEW YORK TIMES

### A Test for the World

North Korea, deliberately or not, has set up a test of the world's determination to enforce the rules on nuclear weapons. The North Koreans have signed a treaty pledging not to build them, but since then they have been harassing and impeding the inspectors who visit the country to see that they are keeping their promise. The latest inspection team pulled out last week, its work unfinished, just as the CIA confirmed the reports that North Korea is working on a missile capable of carrying a warhead a couple of thousand miles.

While the United States is right to proceed with great caution in dealing with North Korea, it is also right to keep pressing steadily ahead. It cannot afford to let this menacing standoff continue indefinitely. However it ends, this case will set a highly influential precedent for arms control everywhere. While they have not been entirely successful, attempts to hold down the spread of nuclear weapons have been much more effective—and have resulted in far fewer governments possessing such weapons—than seemed even remotely possible a generation ago. The diplomacy of dissuasion and prevention is well worth the effort it requires.

As a signal to North Korea, President Bill

## Shaping a U.S. Crime Bill

The House Judiciary Committee has improved on the Senate crime bill. On some issues the committee has fumbled, leaving it up to the full House membership, when the bill reaches the floor, or later to a Senate-House conference, to make it better or keep it from getting worse. Both bills have a valuable core: \$22 billion to put more police into communities, cope with bulging prisons and provide some support for prison drug treatment and other preventive programs. But the Senate, with no guidance from the White House or Justice Department, overrode on floor amendments, including the popular "three strikes, you're out" life sentencing for third-felony offenders.

The committee's "three strikes" rightly requires that at least two of the three crimes be violent. The committee also adopted an amendment by Representative Jerrold Nadler, a Democrat of New York, to allow release of non-dangerous 70-year-old three-time losers who have served 30 years of their life sentences. However modest, that is a practical advance, and the Clinton administration should be ashamed for opposing it. Even California's legislature, reacting to anti-crime fervor, has passed a three-strikes law with a sentencing range of 25 years to life.

Another Senate excess was to require states seeking federal money for their prison systems to mandate that inmates serve 85 percent of their prison terms. That subversion of state sovereignty would force states to overflow their prisons as a condition for building new ones. The House committee has wisely untied the strings attached to the \$3

billion for prison construction and operation. An even more bizarre inversion of federalism was the Senate's decision to give federal courts the power to try thousands of local gun crimes. The House committee's version: appropriately, none. Similarly, where a hysterical Senate would require 13-year-olds to be tried as adults for gun crimes, the House committee at least has the sanity to make the adult transfers discretionary.

Unfortunately, like the Senate, the House committee would restore a dozen once-allowed death penalties to the federal criminal code and add three dozen more. These unnecessary, demagogic penalties are irrelevant to a balanced crime bill and should be scrapped. At least the committee offers a fair system for appeals from death row, and calls on states to provide adequate counsel and safeguards against racial prejudice in capital cases.

In two important ways the House committee's work is inferior to the Senate's. The Judiciary Committee chairman, Jack Brooks, carved the Senate-passed ban on assault weapons out of the House bill. He also yanked a smart Police Corps initiative providing higher education for cadets in return for police service. Both proposals require vigorous Senate-House conference work to restore them.

Last fall, the Senate piled dozens of tough-looking amendments onto its crime bill. You can expect the House to attempt the same. But hope that intelligent representatives will resist demagoguery and at least hold fast to the Judiciary Committee's improvements.

—THE NEW YORK TIMES

### Other Comment

#### Japan Is Watching the Chinese

How China's affairs develop is of serious concern to the Japanese. News that China is Japan's second-largest trading partner, and Japan is China's largest, Japan will be seriously affected if China falls into confusion. Nor is it desirable for the ties between the United States and China to be strained. China's insistence that the right to existence and development is the foundation of human rights is not beyond comprehension. The American manner of twisting Chinese arms to extract concessions by using democratic and human rights problems as leverage is also a little too impetuous. However, respect of human rights is a universal value in any country. It is only natural that as the economy advances, the people's political demands grow louder. If China seeks long-term stability, it must honor democratization and human rights.

—Asahi Shimbun (Tokyo).

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## The Important Message I Carried to China

By Warren Christopher

The writer is U.S. secretary of state.

WASHINGTON — President Bill Clinton has placed America's economic strength at the heart of U.S. national security strategy in the post-Cold War world. The administration's foreign policy, like the country, stands for open societies as well as open markets. We are convinced that the two are inseparably linked.

This balance shapes our approach toward China. As the president has said, U.S. policy recognizes "the value of China and the values of America." This approach also guided my recent trip to Beijing in advance of the early June deadline for the president's decision on renewing most-favored-nation trade status.

My purpose was to inform China's leaders of the urgent need to make further progress on human rights, and to reaffirm America's intention to engage China constructively on issues where our interests coincide.

The United States seeks a broad, positive relationship with a strong, secure and prosperous China. We pursue many important common goals together. We share a powerful interest in a stable and secure Asia. Both nations have a strong interest in ensuring a non-nuclear Korean Peninsula, and we have been cooperating to achieve that objective. With drug trafficking, alien smuggling, environmental degradation and other global issues, our agenda is growing.

Our economic interests are also converging. China's explosive growth is increasingly attractive to American investors and investors. China has an even more significant stake in open access to the American market. We account for almost 40 percent of China's exports.

But we must not assume that a free market in goods can produce or protect a free market in

ideas. Nor can we abandon our responsibility to support human rights around the world. The character of our relationship with China depends significantly on how the Chinese government treats its people. The American people would have it no other way.

Last May, President Clinton forged the first consensus — a consensus of conscience — on American policy toward China since the horrors of Tiananmen Square. The core of U.S. policy, the president said, would be "a resolute insistence" on human rights. If MFN for significant progress on human rights if MFN for China was to be renewed, the executive order that the president issued won broad support from business leaders and human rights advocates alike. This approach avoided more rigid legislation.

Our specific conditions for renewing MFN are reasonable. We are not asking China to apply American prescriptions, only to adhere to universal standards of human rights.

America's intention is not to isolate China but to integrate it more fully into the global community and the global economy. Since September, the administration has pursued a strategy of intensive diplomatic engagement with China to advance a range of security, political and economic goals. We have given the Chinese the incentive and the latitude to demonstrate progress on human rights.

The suggestion that the Chinese discouraged my visit is a canard. Foreign Minister Qian Qichen has been encouraging me to visit for months. Some say I should have canceled my trip, particularly in the face of the Chinese government's

deplorable efforts to silence its citizens. That would have been a grave error. I went to Beijing to make sure that the government does not misunderstand America's position and does not underestimate the strong support that U.S. policy commands from Congress and the American people. I believe that this message now has been clearly received by China's leaders. I believe that they now realize that complacency is not an option.

In the course of very tough exchanges, we made progress on the two issues specified in the executive order. We signed a joint declaration to end exports to the United States of goods produced by prison labor. We received concrete assurances on inspections of all suspected Chinese facilities, within strict time limits. And China promised to resolve the few outstanding emigration cases.

China agreed for the first time to review interference with Voice of America signals. It agreed to begin talks with Red Cross experts to arrange visits to prisoners of conscience. It supplied information on 235 prisoners we had identified, and for the first time promised to provide information on the status of 106 imprisoned Tibetans.

I told China's leaders that these steps represented improvement, but more is needed. Particular progress is required with respect to the release of prisoners and the situation in Tibet. Anyone who has worked to advance human rights knows that it is tough, sloggy work and the progress usually comes in incremental stages. I will not invent or inflate that progress.

We will be seeking and evaluating further progress as we move toward decisions on renewing MFN. That goal is attainable if Beijing truly wants a more constructive relationship.

The Washington Post

## A Strong and Calm Line On Two Hot Asian Issues

By A. M. Rosenthal

NEW YORK — Step back one clear minute and we discover this about Clinton foreign policy: On two of the most important issues in the world the United States is acting with coolness and courage.

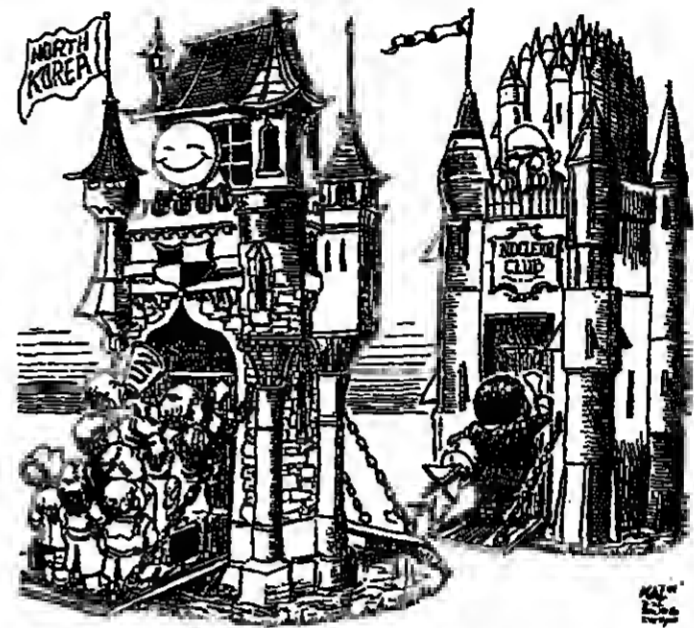
One is the issue wrapped up in the dispute with North Korea: nuclear proliferation, the creation of nuclear military power in nations given to blackmail or terrorism.

The other is the essence of the quarrel with Beijing. Should Western capital and purchasing power be used only to strengthen a Communist government built on police power, can they also be used to lessen Communist repression?

Americans are healthily conscious of their faults, and those of their government. But when they become so immersed in national doubt and self-criticism that they seem unaware of the honorable handling of two critical problems, then hangdog becomes a way of life.

On China, the Clinton foreign policy team is trying to persuade Beijing to give the Chinese and the captive Tibetans minimal human rights. But it would help Chinese and Tibetans some. And it would allow President Bill Clinton to extend low-tariff privileges when the decision mandated by Congress comes.

Sour Irony Department: Secretary



This is too dicey an issue for that. When North Korea tore up its nuclear treaty commitments, by refusing to allow full inspection, Washington first tried to coax the North into compliance. It offered economic and political goodies.

Maybe Washington was too gentle; I do not see it that way. For any political, military or economic action, Mr. Clinton needed the support of South Korea and Japan. Anybody who does not sympathize with Japanese or South Korean tensions should go sit in a rice field and practice waiting for an incoming missile.

Wise, Washington left the war talk to the North Koreans. Now that the United States has moved to the

United Nations to increase pressure on Pyongyang, the North Koreans get still. Is this a bluff or are they so puffed up with themselves that again they will start a Korean war? From Washington the world has learned that the danger of proliferation is real and upon us, and that the decision for sanctions, war or compliance with treaty is in the hands of the North Korean dictatorship.

On China and North Korea, from the administration so far has come neither enticement, entrapment, bystander nor surrender, but a decent respect for nuclear safety and democratic idealism, at a time when both are being tested.

The New York Times

## America Needs to Awake to a Newly Emerging India

By William Clark Jr.

NEW DELHI — U.S. relations with India should be on an upswing, based on the stated objectives of the Clinton administration. The government of Prime Minister P. V. Narasimha Rao continues to liberalize the economy. The private sector is responding with enthusiasm, the American business community is starting to make substantial investments and the U.S. Commerce Department has designated India as one of the top emerging markets.

Yet lies between Washington and New Delhi are far from what they could be. On the U.S. side, there has been inattention to detail and insensitivity to change in the country. President Bill Clinton is expected to name Frank Wisner, the undersecretary of defense, as the next ambassador to India, but the post has been vacant for about a year. The delay has sent the wrong signals to India.

Washington has not given any real attention to the improvements India

has made to its economy. Indeed, the recent resurrection by the Clinton administration of the Super 301 law, which empowers the United States to punish countries deemed to engage in unfair trading, left many Indians wondering whether their economy would be placed in the firing line again.

Military relations between the United States and India are going well, but there is room for improvement. New Delhi's desire for certain military hardware gets little attention in Washington, which is preoccupied with resolving an arms embargo against Pakistan. The recent leak that the Clinton administration hopes to lift the arms veto if Pakistan caps its nuclear program at the current level will not improve relations between India and the United States.

On the political front, America seems all thumbs and India all raw nerves. New Delhi has taken um-

brage at an ill-timed restatement of longtime U.S. policy: that Washington considers Jammu and Kashmir, part of which Pakistan claims, to be disputed territory.

Next, Mr. Clinton sent letters to members of Congress that appeared to support insurgency movements in India. Then, when Pakistan's incoming ambassador spoke about Kashmir while presenting his credentials to the U.S. president, he responded that the United States shared Pakistan's concerns over human rights in Kashmir. This is the same Pakistan that less than a year ago was in danger of being listed by Washington as a state supporting terrorism, because of its actions in Kashmir.

New Delhi was furious. The Indian parliament passed a resolution claiming all of Jammu and Kashmir for India, including the part that Pakistan has held since the first India-

Pakistan war. Thus, the solution to the problem has become more difficult and the U.S. role in the peace process less clear.

America has strong strategic and economic interests in South Asia. It is therefore important for the Clinton administration to give higher priority to improving relations with India.

India's economy is starting to take off. Indians who left their homeland because prospects were better abroad are coming back. Wealthy expatriate Indians are for the first time investing in India.

America's focus on India's economic future should not come at the expense of U.S. interest in the human rights situation in Kashmir or in weapons proliferation in South Asia. Washington should continue to make strong presentations over such issues; they have had an effect. But U.S. interests should not become entangled in the long-standing feud between India and Pakistan.

India signed up for trade liberalization under the recently concluded Uruguay Round. It should be assured by Washington that it will not be on the new Super 301 list. Commerce Secretary Ronald Brown could give such an assurance on his planned visit to India. It would be a sign that Washington wants to put relations with New Delhi on a fresh footing.

The writer is a former U.S. assistant secretary of state for East Asian and Pacific affairs. He contributed this to the International Herald Tribune.

### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

#### 1894: Tariff Bill Row

PARIS — The Democratic members of [the U.S.] Congress are evidently not satisfied with the disturbance which the delay over the Wilson Tariff Bill has already created throughout the country. Senator Morgan, a Democrat, says that he will move an amendment to refer the whole matter to a commission. This will undo all that has been accomplished so far since we were last here, and leave business men hopelessly at sea for probably a whole year. Altogether the outlook is that the present strained relations will culminate in a general Democratic row, including heavy Republican victories at the autumn elections through disgust with and anger against the Democrats.

#### 1919: Germany's Goals

WARSAW — M. Paderewski, Prime Minister, gave an interview today [March 23]. He said: "Germany made war not for honor and ideals, but for markets and raw material."

## The Lecture Is Ringing A Bit Hollow

By Gregory Clark

TOKYO — Pick up any internationally minded newspaper nowadays and the news is depressingly similar — nationalism in the former Soviet Union, arguments over human rights in China, war in the Balkans, collapse in Africa, chaos in Afghanistan, crime in the West...

Nor are the wise words coming out of the West much help. The collapse of communism was supposed to be "the end of history." In fact it was quite clearly the beginning of a very different and much more complicated history.

The end-of-history theory assumed that Western liberal democracy was an ideal to which the rest of humankind would eventually aspire. It was a fanciful idea from the start.

Democracy needs a strong sense of social contract — something that societies only have fleetingly at a very particular stage of their history. It could exist, consciously, in the small city-states of ancient Greece. It could exist, instinctively, in Britain and to some extent elsewhere in Western Europe and Japan as a by-product of the earlier village-based feudalism.

Most societies need something much stronger and less equivocal to hold themselves together. A strong ideological ethic combined with a form of guided democracy is a model which has done quite well in East and South Asia, Singapore especially.

But as often as not the ideology, rather than the guided democracy, will come to dominate. Which is why the collapse of communism has caused such chaos.

For all its faults, the Communist ideology in its more idealistic forms did at least impose some sense of order and morality on its adherents. True, to the extent that it also endorsed totalitarianism and allowed corruption, it deserved to collapse.

But what we can easily get in its place are moves to the even less desirable ideologies of crude nationalism, fascism and religious fanaticism. In Iran, for example, the government manages to maintain order and morality, but only through the threat of draconian punishments.

A Soviet Union which had been allowed slowly to liberalize under a Nikita Khrushchev, just as China has liberalized under Deng Xiaoping, would have been much preferable to what we have today under Boris Yeltsin in Russia.

The West should be much more careful about telling other societies how to organize themselves. We Westerners are heavily responsible for the chaos in Zaire, Angola and Mozambique, for example. We bear much of the blame for Afghanistan, and the subsequent export of fundamentalist violence from there.

We said almost nothing about death squads in Latin America, but we lecture Beijing for putting people in prison. China's totalitarianism is far from ideal; but would we prefer it if Beijing turned to violent nationalism or fanatical communism in order to justify its rule?

If Lee Kuan Yew of Singapore tells us that Western-style democracy is out of going to make it in much of Asia, including Hong Kong, and points to the failure in the Philippines as proof, we should not shrug it all off as the ramblings of an old man. It is pure arrogance for us to assume that our insistence on the rights of the individual is automatically superior to the East Asian ethic that says rights have to be balanced against responsibilities.

Singapore happens to be one of the models we can no longer ignore. No one can pretend it is an ideal democracy. It is bossy and, like Beijing, it marginalizes dissidents. But its Confucian ethic provides a rationale for proper behavior. That, plus an efficient bureaucracy, allows it to be much better organized than many of our Western societies.

In the past, when our instinctive sense of social contract was operating, we in the West could trust our politicians to behave with some integrity and our citizens to relate to one another with honesty and responsibility. We could leave our doors unlocked and our children could walk the streets unharmed.

Now, as all this disappears, we are trying to lecture other people on how to organize themselves, using a model that no longer has validity even for ourselves.

The writer, a former Australian diplomat, is a specialist in Chinese-Soviet affairs. He is now a professor of Japanese studies at Sophia University in Tokyo. He contributed this column to the International Herald Tribune.

## Try Sniffing Around in Hog Heaven

By Jean Anne Casey and Colleen Hobbs

HENNESSEY, Oklahoma — This rural town of 1,800 people is now home to the largest hog-breeding company in the world, the British-owned Pig Improvement Co. For urbanites who think that hogs smell like frying bacon and associate pigs with Wilbur in "Charlotte's Web," here's some news: Pork is political, and pigs are an environmental hazard.

Many European companies, hampered from expanding at home by tough pollution laws, are taking advantage of America's less stringent standards. And the General Agreement on Tariffs and Trade will dramatically increase the amount of pork the United States can export to Europe: 624,000 metric tons in 1999, up from less than 100,000 tons in 1991. This will make the United States the center of global pork production, and companies are rushing to raise hogs in new places. One Danish company even plans to raise 600,000 hogs in Alaska.

If Pig Improvement Co. brings 100,000 hogs to Hennessey, as it plans, the result will be the sewage equivalent of 170,000 people.

"These operations are not family farms," says Barbara Grabner of Prairie Fire Rural Action, a support group for family farms. "They are large corporate ventures that attempt to influence state legislatures to eliminate corporate farming, environmental and zoning laws."

Corporate hog farms collect feces and urine into small ponds lined with plastic sheeting, called lagoons, and the wastes are later used as fertilizer. In practice, this system allows nitrates to leach into the water table and enter the drinking supply. Nitrate contamination can result in circulation problems, and in extreme cases has caused a condition called blue baby syndrome that can be fatal to infants. Pig waste also gives off airborne ammonia, which can cause respiratory ailments.

How bad can the contamination get? Bob Berglund, agriculture secretary under Jimmy Carter, said this month that the superconcentrated pig industry in North Carolina was in danger of "collapse" because in some counties the "ground is saturated with hog manure."

Because of the oil industry's decline, Oklahoma has been aggressive in courting hog raisers, allo-

cating \$8 million to advertise that the state is livestock friendly. In the name of this lucrative friendliness, Oklahoma is willing to compromise its rural residents' quality of life and health.

The huge livestock companies say that they are just honest farmers and that standard Environmental Protection Agency regulations keep them from making much of a profit. Don't believe it. These are nothing less than factories, and their proliferation is an indication of their profitability. Like any other manufacturing industry, state and federal regulators should institute and enforce strict controls on emissions.

Pig Improvement Co. has introduced the micropollutants of pork to Hennessey, polarizing the town. Some defend it as an economic savior; others protest that pollution will make their homes uninhabitable.

The conflict between economics and quality of life is the 1990s version of a range war, where nitrate tests and sewage studies have replaced wire-cutters and six-shooters. So if you plan to visit the world's largest hog-breeding operation, follow the advice they gave in the Old West: keep your head down, and be sure to drink upstream from the herd.

Ms. Casey is a farmer. Ms. Hobbs is a writer. They contributed this column to The New York Times.

مكتبة الناصر

OPINION

# Blame the Cloister System For Ames's Long Slow Dig

By Mark Riebling

GAINESVILLE, Florida — In the argument over whether the CIA or FBI is more to blame for security lapses in the Aldrich Ames spy case, the CIA has taken the biggest beating.

In fact, the FBI bungled, too.

Still, ultimate blame for the disaster must be placed on the FBI or CIA separately but on the system that requires their separation.

By statute, the CIA handles foreign counterintelligence while the FBI tries to catch spies at home. Because spies cross borders, this arrangement has never been very workable.

Richard Helms, the former director of central intelligence, compares it to "cutting a man down the middle."

**Such breakdowns have marred interagency counterintelligence for more than 50 years.**

To keep both halves from walking in opposite directions requires close liaison. Lacking that, the result can be disastrous.

The Ames affair is a good case study in the breakdowns that have marred interagency counterintelligence for more than 50 years.

First, there is the failure to pool important facts. The CIA is said to have withheld details relevant to the FBI's investigation of suspected moles, which dated to 1985. But an affidavit filed by an FBI agent who investigated Mr. Ames suggests that the FBI also neglected to pass important data to the CIA.

The bureau learned through surveillance of the Soviet Embassy in Washington that Mr. Ames scheduled a meeting with a Soviet official on Feb. 14, 1986. Standard procedure was that the FBI would inform the CIA of such matters, so that the agency could be sure the contact was authorized. But the FBI apparently never told the CIA about the contact, which was not approved.

If it had, Mr. Ames might have been arrested eight years earlier. Such failures have been too common and costly.

FBI files show that as early as September 1941, when the Office of Coordinator of Information, predecessor of the CIA, was trying to guess Japanese strategic intentions, the bureau withheld from it a German double agent's intelligence document that showed a clear Axis interest in an attack on Pearl Harbor.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.



mission and caught Pyotr Popov, a CIA mole in Moscow, the ultimate source of the agency's tip to the bureau.

Given the intractability of FBI-CIA disputes, there have been calls for reform of the system. In every major government inquiry into U.S. intelligence failures since 1941, poor interagency liaison has been detected and denounced.

Most recently Dennis DeConcini, chairman of the Senate Intelligence Committee, has promised to try to legislate, if necessary, some mechanism to guarantee future cooperation.

But, as in the past, such talk is likely

to lead only to the formation of toothless interagency committees.

Real reform — giving counterintelligence wholly to the FBI, CIA or some new third agency — will almost certainly never occur because of the fear that such a concentration of power would create an American Gestapo.

This fear is as widespread as it is unfounded. The myth is that the split between the agencies was originally created on civil-liberties grounds. But Lawrence Houston, who wrote the CIA's charter in 1947, has said the division was made for bureaucratic and constitutional reasons.

Fighting the creation of a CIA, J. Edgar Hoover, the FBI director, was a worldwide spy service under his authority. He argued against a geographical division of counterspy duties. When he saw that a CIA would be established, he argued that if it had any domestic security functions it could become a Gestapo. He won. Since then, in the Ames and other cases, the nation has been losing.

The writer is author of the forthcoming book "Wedgie: The Secret War Between the CIA and FBI." He contributed this column to The New York Times.

## LETTERS TO THE EDITOR

shortest path to pursue, as today's North Korean crisis stems from its leader's ignorance of the outside world.

Mr. Kim also is hankering after a meeting with Americans in order to ensure the survival and legacy of his regime, because he knows that his days are numbered. Remember that he is grimly hanging over the precipice clutching at straws. It is the North Koreans who are beckoning to Americans for their rescue.

YANG DONG CHIL  
Dakar, Senegal

### Who's in Charge Here?

Regarding "Today She Would Be Frightened" (Meanwhile, March 4):

Frank Rich's grandmother is not the only one who would/should be concerned; every Jew in America and beyond should be concerned. But not just about Louis Farrakhan. They should also be questioning why NBC would permit such a horror show featuring the Nation of Islam leader. And if the talk show host Arsenio Hall doesn't know enough to

avoid promoting anti-Semitism, maybe the show's NBC, not to mention the managers at STB and the people making advertising decisions, should wake up.

A. PINES  
Madrid

### Sound Familiar?

Has it ever occurred to anybody that asking for the evacuation of the Jewish settlements in the West Bank and Gaza sounds rather like "ethnic cleansing"? There will be no chance for peace in the Middle East as long as the Arabs do not accept the idea that a (very small) minority of Jews can live in a Palestinian state, just as a (quite large) minority of Arabs lives in Israel.

ALENA HOCHMANN  
Geneva

### Strictly American

Regarding "Black Gals Harassed at German Bus" (Feb. 25):

This article leaves the reader with the impression that German right-wing ex-

# Aunt Sarah Rather Liked Her Real Childhood Name

By Paul Spencer Sochaczewski

HONOLULU — I filled out the forms and wished my ancestors had been more like me. I was concerned that my modest writing career would be hindered. I dreaded having to change all my records. And as an American expatriate normally based in Switzerland, I had to wait until I returned to the United States long enough to establish residence there.

The fourth problem, however, was the most important. No one in our family knew how to spell the original name. I finally got to spell the original name. I finally got to spell the original name. I finally got to spell the original name.

I have an old family portrait that I treasure. My bearded grandfather looks like a Polish Pawarot, my grandmother, pregnant with my uncle Bill, resembles a weary but wise Madonna. Apparently she had tuberculosis when the photo was taken; she died a year later.

It came time for little Syd to go to school. Her Aunt Lena, the only relative who spoke good English, accompanied the girl. But the school official refused to register Syd and told Lena to come back with a simpler name. Lena, thinking quickly, suggested that Syd Sochaczewski be registered instead as Syd Wachtel, which was Lena's married name.

My grandfather thought this was fine since, to him, Wachtel sounded more American than Sochaczewski. He then took the necessary legal steps to change the family name to Wachtel.

I had known the story for years but

several things had prevented me from changing my name. I was concerned that my modest writing career would be hindered. I dreaded having to change all my records. And as an American expatriate normally based in Switzerland, I had to wait until I returned to the United States long enough to establish residence there.

The fourth problem, however, was the most important. No one in our family knew how to spell the original name. I finally got to spell the original name. I finally got to spell the original name. I finally got to spell the original name.

It was the best use of U.S. taxpayers' money that I've come across. SOCHACZEWSKI, the name, I telephoned some Polish friends to learn how to pronounce it (say: SOK-HA-CHEV-SKI). I practiced my signature a few times (it still hurts my hand to write the name and I'm certainly not comfortable enough yet to scrawl it). I spelled the name on the phone to friends, first in English, then in French. It felt like I had been dealt a Scrabble hand with no vowels.

I came to Hawaii on sabbatical. The office of the lieutenant governor, Benjamin Cayetano, was helpful in walking me through the paperwork of making me an immigrant. I felt like I had been dealt a Scrabble hand with no vowels.

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HEINRICH LUMMER  
Bonn

The writer is a member of the German Bundestag.

### Clinton by the Cupful

In the absence of character there will always be, sooner or later, an abuse of power. What we see now in the Whitewater affair is only the first draft of a cup that has been proffered to us. We will surely drain it to the dregs as long as Mr. Clinton is president.

ELLIOTT TEPPER  
Madrid



## The New Age of Trade

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The New York Times

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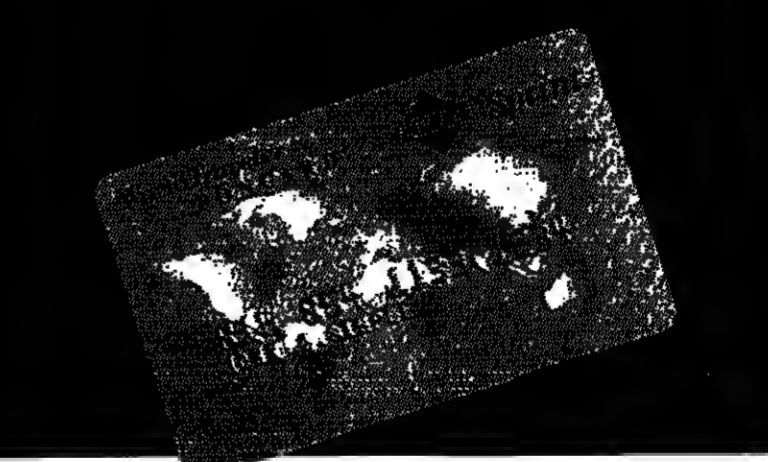
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# Vienna's Volksoper: On Its Own Again and Seeking a Niche

By John Rockwell  
New York Times Service

**V**IENNA — Many major cities — New York, London, St. Petersburg, Prague, Paris, Munich — have two opera houses. (Berlin has three.) In all those cities, in one way or another, the second company must constantly struggle to define its role.

The big company does the big operas, meaning not only Wagner and Strauss but also the smaller core-repertoire staples: Mozart, Verdi, Puccini, maybe even Janacek and Berg.

That leaves operettas and musicals, ballets, lighter operas, modern operas, marginal operas, perhaps also mainstream operas, perhaps friskier productions, often opera in the language of the audience.

In recent years, no secondary opera company has struggled more with such questions of identity, and made more U-turns in its search

for a direction, than the Volksoper in Vienna. The city has a powerful operetta tradition, and the Volksoper in recent decades has been its primary preserver. But it has done American musicals, too, and all manner of more or less successful experiments.

The theater was founded 96 years ago as an overtly "German-Christian" spoken theater, but it soon began doing operas and operettas, for which its relatively intimate size (1,500 seats) and fine acoustics suit it well.

The theater's ties to the all-powerful Vienna State Opera have shifted over the years. Sometimes it has been a direct subsidiary of the bigger company. More often it has been independent, but with a loose working agreement not to duplicate repertoire or new productions.

In 1991, Eberhard Wächter, a baritone turned opera administrator, succeeded in amalgamating the two companies. But after his unexpected death in 1992, his successor, Ioan Holender, in his recent negotiations to renew his contract until 2002, made it a condition to spin off the

Volksoper once again on its own, as of 1996. His recommendation for a separate chief for the Volksoper was an interesting one: Klaus Bachler, who since 1992 has run the Vienna Festival and made it a Next-Wavish hotbed of experimental music theater.

Bachler is full of enthusiasm about what he calls his "Volksoper adventure."

He and Holender made it clear that the Volksoper would have its own music director. The two companies will maintain their current sharing of some singers, partly as a way of luring promising young artists to the Volksoper and partly to provide a pool of "covers," or last-minute substitutes, for the State Opera. But otherwise, Bachler will be on his own.

The performance level at the Volksoper is pretty high. Operettas look a little overlighted and cartoonish but are idiomatically sung and alertly played by the theater's orchestra. The genre is not being renewed systematically, however, and Holender evinces little interest in it. The Volksoper does marginal repertoire as

well. The latest new production has been of Bizet's "Les Pêcheurs de Perles," which, improbably, is being seen in Vienna for the first time, Holender said. This was an awkwardly updated production, but it was decently sung and well played.

**B**ETTER still was the company's most critically admired production in recent years, of Shostakovich's "Lady Macbeth of Mtsensk." Superbly acted in a staging by Christine Mielitz that really punched home every dramatic point, this is just the sort of intensely theatrical opera that works with a smallish company like the Volksoper but too often turns into generalized theater in the wide-open spaces of a major theater.

But as this mixture of operas, operettas and production styles suggests, the Volksoper lacks a ready identity. It is this profile that Bachler is eager to provide. Exactly what he's going to do is unclear, perhaps even to him.

He speaks kindly of operettas, but in updated production styles of which Holender, for one, disapproves. He wants to do unusual operas but not to concentrate on exoticism. He said that one-third of the Volksoper repertoire should be contemporary, but that he wanted to retain the current "nonintellectual" public of working- and middle-class Viennese.

About one thing he was clear. After his success in presenting novelties at the Vienna Festival, he is convinced that Viennese conservatism is "a myth." "Naturally," he added, "Verdi and Gounod have it easier in Vienna, but they do in Paris, too. Volksoper means People's Opera, and what I don't want to do is overwhelm people. Theater is not a school; it should be a seductive experience."

Whatever the past and future success of the Volksoper's service to operetta — and tourists still pile in by the busload — the freshest and funniest Viennese operetta revival of the season is not in an opera house at all but in repertory at

the Kammeroper of the Theater an der Josefstadt: "Die lustigen Nibelungen." ("The Jolly Nibelungs") by Oscar Straus.

This is a "Ring" parody first seen in Vienna in 1904. More precisely, it is a "Götterdämmerung" parody. For all its appeal to Viennese and its German-language in-jokes, this is something that New Yorkers might especially enjoy. The reason is that the operetta was directed by Otto Schenk, the stage director of the Metropolitan Opera's "Ring," with sets and costumes by Rolf Langenhans, who did the Met's "Ring" costumes.

The result is a very funny bit of self-parody. The staging is also full of operatic in-jokes. Heinz Zednik, for years a famous Mime, finally gets to play, and skews, Siegfried.

To see Zednik prance onstage, in a scene just like Siegfried's arrival at the Gibichung Hall in the first act of Wagner's opera, firmly fix his monocle, give a little flip with his hand and demurely coo "Hoi-ho" is to realize that comic operetta is by no means dead.

## LONDON THEATER

### Ralph and Walt: A Walk in Woods

'Democracy' Is an 'Issue' Play

By Sheridan Morley  
International Herald Tribune

**L**ONDON — A clearing in the woods near Washington, July 1863: Walt Whitman and Ralph Waldo Emerson are there to slug it out with two soldiers, a deserter from the South and a blinded, dying veteran from the North.

What is at issue here is not, however, the Civil War itself, but rather the soul of the United States and the fight for decency. John Murrell's ambitious, talky "Democracy" (at the Bush) is an "issue" play but the issues themselves are so vast that they are inclined to bring any drama to a grinding halt while we embark on yet another pantheistic debate.

On the one hand, Murrell gives us his Walt, forever ready to see the best in men as he shelters soldiers in his woodland glade and talks of the miracles of earthly love, even as his beloved boys are dying around him. On the other hand there is a craggy, disbelieving Waldo, who has the evidence of his own eyes to remind him of man's inhumanity to man and the ultimate foolishness of any real optimism, especially in wartime.

John Dove's production, on a wonderfully realistic set by Robert Jones complete with growing grass and forest pools on that tiny Bush stage, sets up Hugh Ross as the

cynical Emerson against Stanley Townsend's chubby, prattling Whitman and lets them talk it out as the two soldiers (Nick Waring and Johnny Lee Miller) form their audience and ultimately the living and dying figureheads of their argument.

But Murrell never commits to one side or the other, never indicates whether he favors Emerson's worldly cynicism over Whitman's smug, rambling paternalism; a writers' conference in the middle of a bloody conflict is apt to be more of a hazy conflict in an indulgence.

Harold Pinter's "The Birthday Party" is now on the National's Lyttelton stage in a dazzling new production by Sam Mendes, but it does not make much sense to its original audiences in 1958, though I am never entirely certain why they are forever being blamed for this. At the time, Pinter had only recently given up the life of a touring actor, and in one sense his play is a merciless, brilliant parody of all the tacky stage thrillers of the period, except that the Inspector never calls.

In another sense, of course, it changed forever the relationship of playwright to punter: for the first time, Pinter demanded that his spectators do some of the work for themselves, make their own connections, sort out their own puzzles instead of waiting for the dramatist to serve them a neat denouement.

Nothing here is quite what it seems, but Mendes has courageously given "The Birthday Party" back all the trappings of its times: from the bouffant Lyttelton Program reader that introduces it, through Dora Bryan's supremely scary seaside landlady, to Bob Peck and Nicholas Woodeson as the B-movie heavies, every echo here of the late '50s gives us the perfect period flavor with which to understand and recall the background against which the play first exploded.

As the unemployed pianist whose body and soul are fought over by all the other characters, Anton Lesser remains somewhat bemused and overshadowed. But as the play



Emma Amos and Bob Peck in Pinter's "The Birthday Party" at the Lyttelton.

moves from boarding-house revue sketch through a long night's journey back to totalitarian oppression, Trevor Peacock wonderfully indicates the price paid by the innocent bystander to the things of the state. Best of all, though, apart from Bryan's wondrous return to the height of her comic form, is the moment when the sex slides back into a street full of houses just like it: in every window a light, in every room some other kind of nameless terror.

Currently on a national tour, Ken Hoare's "Glyn & I" is an intriguing slice of Hollywood history that never becomes the Wildean comedy of bad manners within which the author has framed it. In about 1926 Elinor Glyn, the ro-

mantic novelist who had by then taken up residence in the California hills as an adviser on historical pic ("dual castles do not have a line of spittoons, even gold ones, down the middle of the drawing room"), formed an unlikely alliance with Clara Bow, whom she rightly saw as the spirit of the new age.

Collette had her Gigi, Anita Loos her Lorelei Lee, and Elinor her Clara, but Hoare's often funny and touching script gives neither Penelope Keith nor Samantha Spiro the chance to do more than sketch in some shadowy figures for Richard Cottrell's agile, class production.

Paris will apparently not be getting to see Deborah Warner's new staging of Beckett's "Footfalls," which Fiona Shaw was due to play

at the Maison de la Culture in Bobigny, since the author's estate has objected to a couple of minor changes in the text.

For one week only, London audiences at the Garrick did get to see this 20-minute monologue, with the spinster daughter in fine Irish rant, howling against the injustices of an unseen but occasionally heard mother. The piece remains a curious, raucous, and should perhaps have been played with at least one other to justify an evening in the stalls.

But if the Beckett estate is attempting to freeze all the productions in their original postwar state, we are going to end up pretty soon with a series of seldom-performed museum pieces rather than living dramas.

## Lights! Camera! Voices!

By David Stevens  
International Herald Tribune

**P**ARIS — Under the title of "Classique en Images 1994," the Louvre is devoting its third biennale of filmed music to a retrospective of "great voices of the 20th century" — as if the voices of any other century were available on film and sound.

For all practical purposes this retrospective goes back to the beginning of time, which is the late 1920s, when the movies learned how to sing as well as dance. There is a little bit of everything, from historic to trivial, in this selection of concertos, recitals, television programs, opera excerpts, singer profiles, master classes, documentaries and whatnot, much of it fascinating to scholars or just plain opera nuts.

Two distinct eras can be identified before the mass arrival of opera in video. The first was from about 1930 to after World War II, which includes some experiments with the new technology and the use of famous artists as an added fillip in feature films. The second began with the arrival of television, which awkwardly tried to figure out how it could use opera — a task that still goes on as opera tries to figure out how to use video.

Era No. 1 includes some fascinating, if crude, documents. Included here are the Warner Bros. Vitaphone shorts featuring Giovanni Martinelli and Beniamino Gigli — the two tenors who divided Caruso's Metropolitan Opera domain after his death. These shorts are either crudely staged operatic scenes or schlocky pretexts for popular music.

In the case of Martinelli, the sound of the operatic terms is terrible and badly out of sync, but ones offering him as the Sorrento boatman or the gypsy king are fine and actually give a good idea of how he must have carried himself onstage. His clarion tones and rickety stage style were the same a decade later, on the evidence of his Met "Otello," now available on CD.

The full-length feature films fascinated with hints of great singers cut off in their prime, such as Joseph Schmidt, whose double misfortune was to be too short for a stage career and a Jew in Central Europe in the 1930s, but whose velvety lyric tenor resulted in a briefly sensational radio and concert career. Another is Maria Cebotari, the Vienna-based lyric soprano who died in 1949 at age 39. Conchita Supervia is a legend as a Rossini singer and a Carmen, and her rich and vibrant mezzo soprano and mischievous charm are well documented in an otherwise dreadful

tale of opera life filmed in 1934, two years before she died at the height of her career. These films, regardless of merit or lack thereof, are to be cherished as rare documents of rare talents.

Two of the documents date from 1954, but relate to singers whose substantial careers occurred between the wars. Ezio Pinza is certainly welcome in "South Pacific," but there are no other visual records of his long and illustrious Met career.

And Nelson Eddy is represented, not by his movie operettas with Jeanette MacDonald, but in a Disney short to which he lends his voice ("Willie the Operatic Whale"). Yet Eddy sang every role that came his way in several seasons at the Philadelphia Civic Opera, including a role in the U.S. premiere of Berg's "Wozzeck." Henry Pleasants, the International Herald Tribune's critic in London, was a Philadelphia critic at the time, and recalls that Eddy lacked the high G that might have opened the Met's door, so he went to Hollywood and presumably sang all the way to the bank.

Beginning with the '50s, there is a generous assortment of American television, including the samples from "The Voice of Firestone," "Producer's Showcase," and, yes, "The Ed Sullivan Show." Behind the pompously inane announcing and rudimentary mises-en-scène (a singer could not just stand and sing on television) is plenty of evidence that the 1950s was one of the golden ages — Jussi Björling, Leonard Warren, Zinka Milanov, Richard Tucker, Mario Del Monaco, Renata Tebaldi, Marian Anderson (an inimitable

ly felt and expressed and sung "He's Got the Whole World in His Hand," done shortly after her belated Met debut) and much more.

There was a mid-'50s "documentary" about the Glyndebourne Festival. The documentary part of it was hurried in an exceptionally dim story line about a yodel from Chicago who cannot figure out why his train from Victoria Station is full of people dressed to the nines. He gets off where they do, follows them and gets a free ticket from John Christie, the festival's founder. (You bet!) But we also get large chunks of one of the festival's historic "Figaro" productions, with Sena Jurinac, Sesto Bruscantini, Hugues Cuénod and company, so all was well.

**B**UT perhaps the most treasureable of all is a film of Anna Russell's farewell performance of her celebrated half-hour elucidation of Wagner's "Ring" cycle, accurate in every detail (including the musical examples) and still hilarious. (On Siegmund and Siegfried's incestuous affair: "She's married, so it's immoral, and she's his sister, so it's illegal.")

Maria Callas, Tito Gobbi, Boris Christoff, Tito Schipa and Ljuba Welitsch figure prominently in the schedule for Wednesday and Thursday, and the final days, Friday through Monday are devoted to an international competition for music films made in 1992-93, ranging from the musical life of the Nazi camp of Theresienstadt (Terezin) to the Philadelphia Orchestra under Stokowski, Ormandy, Mati and Sawallisch, to the career of the film composer Bernard Herrmann.

### At Last, Pavarotti Wows 'em in Manila

By William Branigan  
Washington Post Service

**M**ANILA — Luciano Pavarotti, battling a cough, cold and fever that forced him to cancel a concert in Manila on Friday, delivered a bravura performance on Monday night before an appreciative crowd.

"I never thought it possible to arrive at this last show," the tenor told more than 4,000 people inside the concert hall and thousands more watching outside on a huge screen. He dedicated the last of three standing-ovation encores to a local doctor, Roberto Tan, who got up and took a bow before Pavarotti finished the more than two-hour concert with "Grenada."

Accompanied splendidly by the 64-piece Philippine Symphony Orchestra, the 58-year-old opera star seemed to be struggling a bit as if focusing all his energy on surmounting his malady and hitting his notes. He appeared satisfied with his performance, however, and Philippine opera buffs were clearly thrilled.

But Pavarotti's first appearance in Manila aroused more than just the passions of opera lovers. It also became enmeshed in controversies that threatened to cast a bigger shadow than the robust tenor himself.

First was a wealthy Manila socialite better known to Manilans as the former mistress of President Fidel V. Ramos. Then there was the rather awkward timing of the performance, which was originally scheduled for March 18 — the president's birthday.

Topping it off were the ticket prices. The best seats went for the equivalent of \$900 — more than the congressman's monthly salary and more than twice the price of the most expensive ticket in Malaysia, where Pavarotti had originally scheduled a public performance for Monday. His postponement here forced him to cancel that date, but he still plans to sing in a private concert for Malaysian royalty.

The steep ticket prices prompted one Philippine senator to call for the arrest of any government official who shelled out the top price for a seat as an ostentatious display of unusual wealth.

The organizers sought to take some of the sting out of the prices by setting up a large screen and speakers outside the concert hall and inviting Filipinos to watch the performance out in the open for free. According to Arenas, Pavarotti agreed to donate about \$110,000 of his \$910,000 contract price to charity in the Philippines.

When the concert date was first announced, newspapers here billed it as a birthday tribute to the president from Arenas. Even though Arenas insisted that the date was chosen by Pavarotti's manager and only happened to coincide with the birthday, Amelia Ramos, the president's wife, was said to be less than overjoyed about the whole thing.

So it was that when the date rolled around, Ramos and his wife of 40 years were off in the hills of the northern Philippines, marking his 66th birthday with a visit to remote mountain tribes. "Birthday in the boonies," one newspaper called the foray.

The postponement of the concert left the Ramoses with no conflicting event on their schedule, but they still did not attend.

**A**MONG the concert-goers was a bejeweled Imelda Marcos, dressed all in black. The widow of former President Ferdinand E. Marcos has been convicted of graft and sentenced to 24 years in jail, but she remains free on bail while the case is appealed.

None of the local controversy seemed to bother Pavarotti much. When he learned of the preconcert ruckus, he said at a press conference Thursday, "I said to myself I must go to Manila anyhow. His main problem, he said, was a nagging cold that still had him sneezing and coughing."

Pavarotti said he has long wanted to visit the Philippines, a music-loving country whose singers, dancers and musicians perform all over Asia. In 1957, his first voice teacher, Arrigo Pola, left to sing in the Philippines, Pavarotti said.

Arenas, whose fund-raising efforts helped Ramos win the 1992 presidential election and who is reputed to maintain political influence behind the scenes, dismissed the idea that she had organized the concert for Ramos, whom she met in the early 1970s when he was chief of the Philippine Constabulary. "I cannot afford to give a 25 million peso (\$910,000) birthday present to anybody, please," she said. "I'd rather buy myself a necklace."

## Dining Out

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## BOOKS

### RUSSIA UNDER THE BOLSHEVIK REGIME

By Richard Pipes. Illustrated.  
587 pages. \$35. Alfred A. Knopf.

Reviewed by Christopher Lehmann-Haupt

**I**N "Russia Under the Bolshevik Regime," Richard Pipes attempts to disabuse his readers of any lingering notion that the early years of Communist leadership in Russia were somehow more benign and well-intentioned than the later ones were or that there was a fundamental change in the regime following the transition from Lenin's leadership to Stalin's.

Lenin's regime was perhaps less competent in its malignity, Pipes implies. For instance, he argues that

the Reds won the civil war against the Whites (1917-1920) not because of better generalship or because their call was more compelling, but rather simply because of superior numbers and strategic position.

He writes, "When one considers the enormous advantages of the Bolsheviks, mostly the result of their early conquest of central Russia, the surprising thing is not that they won the civil war, but that it took them three years to do it."

And, for instance, he concludes of Lenin's attempts to export his revolution to Europe that its main achievement was to discredit communism and play into the hands of "national extremists who exploited the population's xenophobia by stressing the role of foreigners, especially Jews, in inciting civil unrest."

But of Bolshevism's utopian

dreams, Pipes takes an extremely dim view. He states that the civil war was waged not to beat back imperialist invaders but to carry out what Lenin "meant the global class conflict between his party, the vanguard of the 'proletariat,' and the international 'bourgeoisie.'"

He concludes that Lenin "not only expected civil war to break out immediately after his taking power, but took power in order to unleash it."

As for what some observers have described as Lenin's more benevolent leadership, Pipes argues that all the seeds of Stalinism were sown under Lenin. From repression of dissent to the practice of mounting show trials to outright terror and murder.

Pipes's book continues and concludes his earlier history, "The

Russian Revolution" (1990), and is the eighth work on Russia written by the author, who is Baird Professor of History at Harvard University and who served in 1981-82 as President Reagan's National Security Council adviser on Soviet and East European affairs.

The period covered by the current volume is a chaotic one, particularly so the time of the civil war.

Pipes meets the challenge to coherence by organizing his chapters topically: "The Civil War," "Communism for Export," "NEP: The False Transition," "Reflections on the Russian Revolution."

For the reader, Pipes's approach is a reward simply because it allows him to tell a great story in the most theatrical terms possible. Regardless of ideological bias, you cannot help but be caught up by his account of the struggle for the dying Lenin's mantle that was fought among Trotsky, Kamenev, Zinoviev and Stalin.

But in the end, Pipes's purpose is not to entertain us. It is intended to persuade us that the Bolshevik Revolution was from beginning to end a catastrophe for Russia, but one that was both consistent and continuous with what he calls "Tsarist paternalism."

Of course it may be argued that Pipes is a neoconservative and a Reaganite whose book was supported by the John M. Olin Foundation, a frequent backer of conservative projects.

Still, the case he makes against a more benevolent outlook on the Russian Revolution is a powerful one. If this is history with rightward spin, then one eagerly awaits a contrary version as compelling.

Christopher Lehmann-Haupt is on the staff of The New York Times.

## BEST SELLERS

This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

The Week

FICTION

1 ACCIDENT, by Danielle Steel

2 DISCLOSURE, by Michael Crichton

3 THE CELESTINE PROPHECY, by James Redfield

4 BRIDGES OF MADISON COUNTY, by Robert James Waller

5 SLOW WALTZ IN CEDAR BRIDGE, by Robert James Waller

6 THE CAT WHO CAME TO BREAKFAST, by Lilian Jackson Braun

7 LIKE WATER FOR CHOCOLATE, by Laura Esquivel

8 FAMILY BLESSINGS, by LaVyrle Spencer

9 ROGUE WARRIOR, by Richard Marcinko and John Wiseman

10 FATAL CURE, by Robin Philpott

11 WITHOUT REMORSE, by Tom Clancy

12 MCNALLY'S CAFER, by Lawrence Sanders

13 RAMA REVEALED, by Arthur C. Clarke and Gregory Benford

14 SECOND NATURE, by Alice Hoffman

15 SAREK, by A. C. Crispin

NONFICTION

1 EMBRACED BY THE LIGHT, by Betty J. Eadie

2 THE BOOK OF VIRTUES, by William J. Bennett

3 HOW WE DIE, by Sherwin A. Nuland

4 SILENT MATES, by Thomas Moore

5 MIDNIGHT IN THE GARDEN OF GOOD AND EVIL, by John Berendt

6 WOULD'NT TAKE NOTHING FOR MY JOURNEY NOW, by Mary Maguire

7 HAVING OUR SAY, by Sarah and A. Elizabeth Delany with Amy Hill Hearth

8 ZLATKA'S DIARY, by Zlata Filipovic

9 MY LIVES, by Roseanne Arnold

10 DRINKING LIFE, by Fete Hamill

11 SEINLANGUAGE, by Jerry Seinfeld

12 THE HIDDEN LIFE OF DOGS, by Elizabeth Marshall Hall

13 MARKS WE WANNA HOLLER, by Nathan McCall

14 ANN-MARGRET: My Story, by Ann-Margret with Todd Gold

15 WOMEN WHO RUN WITH THE WOLVES, by Clarissa Pinkola Estés

ADVICE, HOW-TO AND MISCELLANEOUS

1 MAGIC EYE, by N. E. Thing Enterprises

2 MEN ARE FROM MARS, WOMEN ARE FROM VENUS, by John Gray

3 STOP THE INSANITY! by Susan Potter

4 AGELESS BODY, TIME-LESS MIND, by Deepak Chopra

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## EUROPE

# Hoechst Sees Mild Upturn After 31% Profit Slide

Compiled by Our Staff From Dispatches  
FRANKFURT — Hoechst AG, Germany's largest chemicals company, said Tuesday that its operating profit tumbled 31 percent, to 1.48 billion Deutsche marks (\$869 million) in 1993, but it predicted an improvement in 1994 in line with economic recovery in the United States and Western Europe.

The company was noticeably less optimistic about its business prospects, however, than its rivals Bayer AG and BASF AG, which both predicted a rise in their annual results last week. Bayer predicted its profit would rise by up to 20 percent this year, while BASF saw the climb in earnings of the first two months continuing.

Earnings at chemicals companies in Germany have plunged in the 1990s as demand slumped from the recession-plagued manufacturing industry for basic chemicals such as plastics and fibers.

Hoechst said its key chemicals and dyes division posted an operating profit of 162 million DM in 1993, down from profit of 321 million DM the year before.

Its fiber division, meanwhile, posted operating profit of 220 million DM, roughly half of the 422 million DM earned a year before.

Hoechst also announced it would float part of Hoechst Celanese Corp., its U.S. unit, but not before

1996. A spokeswoman for the U.S. company said that details remained to be worked out and that "it's too early to talk about how much of Hoechst Celanese will be floated."

Wolfgang Hilger, chairman of Hoechst, said the company was "expecting a slight upturn in demand and marginally higher sales volume" this year.

Management said sales for the parent company rose 5 percent in the first two months of 1994. Jur-

**'It still needs to do a lot more restructuring.'**

Sven Dopke, analyst at M.M. Warburg in Hamburg.

gen Dormann, deputy chief executive, said group operating profit had "improved slightly" in the first two months.

Analysts said Hoechst would have to wait longer than its rivals to see a clear improvement in profit because it had embarked too late on major rationalization measures.

"It still needs to do a lot more restructuring," said Sven Dopke, an analyst at M.M. Warburg in Hamburg.

gen Dormann, deputy chief executive, said group operating profit had "improved slightly" in the first two months.

As a major facet of its restructuring, the company said it would cut as many as 8,000 jobs over the next two years. Mr. Hilger said the number of employees had already been cut by 12,000 over the past three years.

Mr. Dormann said he expected restructuring costs would range between 300 and 500 million DM in 1994, down from 999 million DM last year.

The company said that Hoechst had spent about 2 billion DM on restructuring over the last two years, including 1.5 billion DM for severance pay.

The number of employees worldwide totaled an average of 172,483 last year, down from 177,688 a year earlier.

Mr. Dormann said he was "very skeptical" that the company's domestic profit in 1994 would suffice to cover the company's total dividend payout for the year. He did not disclose how high the 1994 dividend would be.

Hoechst proposed a dividend of 7 DM for 1993, down from 9 DM in 1992. The total dividend payout in 1993 was 412 million DM, down from 527 million DM a year earlier.

Mr. Dormann also said the company did not expect to raise funds on the capital markets within the next three years.

(Reuters, AP, Bloomberg)

## Financial Picture Still Dismal for Crédit Lyonnais

By Jacques Neher

International Herald Tribune

PARIS — One year ago, when Crédit Lyonnais reported a record loss of 1.8 billion francs (\$312 million), its then-chairman, Jean-Yves Haberer, promised there would be no more bad news and that the world's eighth-largest financial institution, with assets of 1.93 trillion francs, was ready to make a comeback in an economic upswing.

But Thursday, when his successor, Jean Peyrefitte, lays out his restructuring strategy, it is clear that there will be much more bad news. It is also clear that French taxpayers and the bank's big competitors, such as Banque Nationale de Paris and Société Générale, will be forced to bear much of the pain of a large government bailout.

Analysts are bracing for a 1993 loss of anywhere between 2 billion and 26 billion francs, depending on how far the government thinks it can go to financially restructure the state-owned bank without sparking a revolt by private-sector institutions or triggering a refusal by the European Commission for violations of its restrictions on state aid.

On Tuesday, Edmond Alphandery, the finance minister of France, confirmed that the government plans to inject a significant amount of cash into the bank, while also permitting it to clean its 54 billion-franc real estate loan portfolio of doubtful loans.

"The state will do its duty — there will be a recapitalization of Crédit Lyonnais," Mr. Alphandery said, although he did not hint of the amount to be awarded.

The troubled property loans — which are reported to total 40 billion francs — will be transferred to a separate company that will be guaranteed by the state. Mr. Peyrefitte also is expected to detail his plan to reduce the bank's industrial holdings, which include 20 per-

cent stakes in Aerospatiale and Usinor-Sacilor, both of which are losing money.

Even if the balance sheet is cleared, ominous clouds will still be hovering over the bank for months because of the legal war over Crédit Lyonnais' involvement in the takeover of Metro-Goldwyn-Mayer Inc. by the Italian financier Giancarlo Parretti. The bank took control of the Hollywood studio when Mr. Parretti defaulted on his loans.

In February, Mr. Haberer, now chairman of Crédit National, and François Gille, the managing director of Crédit Lyonnais, were charged by a Swiss judge with complicity in the 1992 bankruptcy of Sasea SA, a company involved in the MGM deal and headed by Mr. Parretti's associate, Florio Fiorini.

On another front, Crédit Lyonnais and MGM are set to go to trial in June in Los Angeles against Kirk Kerkorian and other former executives of MGM. Crédit Lyonnais claims it was deceived about the studio's financial status when it funded Mr. Parretti's acquisition in 1990. Mr. Kerkorian's \$500 million countersuit against the bank is set to be heard at the same time.

"They're getting hit on all sides," said Sheila Garrard, an analyst with Lehman Brothers in London. She was predicting a loss of 2 billion to 4 billion francs, although she said her prediction could be well off the mark. "It's impossible to know the quality of the bank's assets," she said.

Cash injections of 4 billion to 5 billion francs have been postulated over the past few months, but analysts say even that sum might prove woefully inadequate.

"A billion plugs a hole, but not much more than that," said Sasha Serafimovskii, banking analyst at Merrill Lynch & Co. in London.

In September, the bank reported a loss of 1.05 billion francs for the first half of 1993.

## Air France Cuts Deal On CSA

Bloomberg Business News

PRAGUE — The Czech Republic's state-owned Konsolidacni Banka agreed Tuesday to pay \$27 million for Air France's stake in CSA, the Czech airline.

The agreement will end Air France's 19.1 percent shareholding in CSA and diminish the role of a second large shareholder, the European Bank for Reconstruction and Development, Czech Transport Ministry officials said.

The European Bank will keep its 19.1 percent CSA stake, and Konsolidacni Banka has agreed to guarantee the development bank's original \$30 million investment. But the EBRD will give up its seat on CSA's board and lose the right to veto major management decisions.

The Czech government has been intent on pushing Air France out of CSA and has been negotiating for weeks with the French airline.

But a side agreement between Air France and the EBRD, which Czech government officials say they only recently learned about, has been a sticking point in negotiating the deal. That agreement, which dates to a time when Jacques Attali was president of the European Bank and his twin brother, Bernard, was chairman of Air France, obligated Air France to guarantee part of the EBRD's investment.

Now, Konsolidacni Banka has assumed an option to buy the European Bank's stake in CSA at any time. Under the new agreement, the European Bank must keep its stake until 1997 unless Konsolidacni decides to exercise that option, but between 1997 and 1999 the European Bank has the option to sell its stake to Konsolidacni for its original investment of \$30 million.

## Lazard and Crédit Agricole Reach Accord

Compiled by Our Staff From Dispatches

NEW YORK — The business of derivatives needs brains, to concoct complex financial transactions, and brawn, for the financial strength to stand by what are generally private contracts that can extend as long as 10 years.

So when Lazard Frères, the brainy weakling of investment houses, decided to start trading derivatives, it needed a muscular partner. On Tuesday, it announced

## Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
2300	3500	2400
2200	3400	2300
2100	3300	2200
2000	3200	2100
1900	3100	2000
1800	3000	1900
1700	2900	1800
1600	2800	1700
1500	2700	1600
1400	2600	1500
1300	2500	1400
1200	2400	1300
1100	2300	1200
1000	2200	1100
900	2100	1000
800	2000	900
700	1900	800
600	1800	700
500	1700	600
400	1600	500
300	1500	400
200	1400	300
100	1300	200
0	1200	100

Sources: Reuters, AP, Bloomberg

### Very briefly:

- Renault Vehicules Industriels, the truck-making subsidiary of the French automaker Renault, said its 1993 net loss narrowed to 1.40 billion francs (\$243 million) from 1.62 billion in 1992, thanks to improved operating margins and a resurgent U.S. demand.
- Denmark launched its largest privatization effort so far with the sale of 48.3 percent of Tele Danmark A/S; the sale is expected to bring about 20 billion kroner (\$3 billion).
- Bowater PLC, the British packaging company, earned £211.9 million (\$315 million) before taxes in 1993, up sharply from the pretax £147.2 million earned in 1992; results were lifted by the purchase of Tower Packaging, the medical-packaging company.
- Bayerische Hypotheken & Wechsel-Bank AG, the German bank, said it earned 1.035 billion Deutsche marks (\$613 million) in 1993, a 33 percent increase from 1992, helped by gains on investments such as mortgage bonds.

Reuters, AP, Bloomberg

## Bidding for UAP Stake to Start

Reuters

PARIS — France set the ball rolling for its next privatization on Tuesday by announcing it would launch a tender in the next few days for companies to join the so-called hard core of stable shareholders in Union des Assurances de Paris.

The finance minister, Edmond Alphandery, said France would open bids for stakes totaling slightly more than 10 percent of UAP, Europe's second biggest insurer.

Added to existing stable shareholders, that would give the hard core a stake of more than 30 percent in the insurance company, the biggest stable shareholding stake in the wave of French privatizations that started last year.

UAP, which with its many cross-shareholdings is a dominant force in

the French financial scene, is then likely to be sold off next month.

Mr. Alphandery said that Banque Nationale de Paris would reduce its stake in UAP to 15 percent from 19 percent. Other hard-core shareholders — the French conglomerate Compagnie de Suez and the Swiss insurer Winterthur AG — will retain their existing stakes unchanged at around 5 percent and just over 2 percent, respectively.

Separately, Mr. Alphandery declined to comment on newspaper reports that the government might have to delay the sale of Banque Hervet, a small retail bank, because it could not find a buyer.

He said responsibility for the sale, to be carried out by private tender offer, was in the hands of the Privatization Commission.

Banque Hervet has slid in value since its privatization was announced in the middle of last year because of exposure to the troubled real estate market and loans to small businesses.

### Forecast Is Affirmed

The French government reaffirmed its forecast for 1994 economic growth on Tuesday, giving Mr. Alphandery a chance for a dig at critics who wrote it off as over-optimistic but were now revising their views.

Figures from the national accounts commission repeated an official forecast for gross domestic product growth of 1.4 percent, unchanged from the first estimate given by the conservative government after it took power a year ago.

The government also forecast growth in 1995 of 2.7 percent.

## STONES: De Beers Is Setting Asia Aglitter With Its Marketing Campaign

Continued from Page 11

the end of colonialism and other upheavals. But the end of the Cold War and the rapid integration of the global trading economy more recently threatened the cartel with a new crisis. How it is rebounding, and how it is attempting to secure its future in the developing countries of Asia, is a tale emblematic of the changing world economy.

"De Beers' London-based Central Selling Organization, which buys up about 80 percent of the world's gem diamond production, described its mission as "the continuing stability and prosperity of the diamond industry." Its success depends on control. Measured by value, De Beers itself mines about half of the world's gem diamonds. Through purchasing agreements it absorbs most of the rest.

De Beers also controls sales: The world's diamond supply is transported from mine to mine to head office in London's Charterhouse Street, where it is sorted, valued and then resold at periodic "sights" to an invitation-only group of diamond cutters and wholesalers, the "sightholders." The sightholders produce finished loose diamonds or diamond jewelry and sell these to manufacturers, retailers or the public.

Globally, the Cold War's sudden demise threatened De Beers for two reasons. The Soviet Union was a diamond mining giant, producing an estimated \$1.5 billion in diamonds annually. The union's disintegration meant that its diamond industry, with which De Beers had made secret purchasing agreements, was up for grabs. The danger arose that local miners might take their diamonds directly to cash markets, bypassing De Beers.

Meanwhile, Moscow and Washington made a deal to abandon their proxy war in diamond-laden Angola. When peace took hold there, impoverished Angolans rushed to diamond-rich areas formerly closed by war, grabbed all the diamonds they could find and began selling them piecemeal for cash in open markets. In 1992, Angolan diamond sales almost tripled from past levels of just above \$200 million to nearly \$600 million, according to De Beers.

Fighting back, De Beers moved to plug the leaks on its supply side. Cartel executives in Moscow hammered out revised purchasing agreements with Russia, arguing that without De Beers, the long-term value of Russia's diamond resources would sink. And cartel buyers stepped up activity in diamond cash markets, soaking up about two-thirds of the excess Angolan diamonds.

Amid this uncertainty about supply, the cartel faced daunting challenges on its consumption side. In the United States, Japan and Europe, overall sales of diamond jewelry have flattened since 1987. To prosper on a worldwide scale in the next century, cartel executives knew they had to extend their marketing pitch in a new direction — to the East.

"It was somebody sitting in a bar

one night" during a Hong-Kong business trip, recalled Jonathan Podney, a young, British-born De Beers marketing manager for Asia. "We were looking for something. We were talking about it... It was an American who came up with it... 'For Me. For Now. Forever.'"

Today that simple slogan — with both an appeal to self-gratification and an evocation of lasting value — is beaming into Asia via satellite television, splashing across colorful magazine ads and beckoning from displays on jewelry counters from Seoul to Bangkok.

Selling diamonds requires penetration of a society's most enduring cultural rituals: courtship, marriage engagements, wedding ceremonies and wedding anniversaries. In Asia, such rituals are in flux because societies themselves are in flux, infused with dynamic economic growth. Arranged marriages are yielding to Western-style "love matches" among the young middle classes. Women are headed to work in large numbers, leaving behind their inherited family roles.

To try to capitalize on changing habits, De Beers' researchers are conducting intensive surveys of Asian attitudes toward love, marriage and diamond jewelry.

In Thailand, Malaysia, the Philippines and Indonesia, De Beers is adjusting its campaign to take account of the surging yuppie classes.

Sizzling diamond ads go to those Asian countries where "what you're seeing now is young people who have never known hard times," as Mr. Podney said.



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## FIDELITY SPECIAL GROWTH FUND

Société d'Investissement à Capital Variable  
Kansallis House  
Place de L'Etoile  
L-1021 Luxembourg  
R.C. Luxembourg B 20095

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of FIDELITY SPECIAL GROWTH FUND, a société d'investissement à capital variable organized under the laws of the Grand Duchy of Luxembourg (the "Fund"), will be held at the principal office of the Fund, Kansallis House, Place de L'Etoile, Luxembourg, at 11:00 a.m. on March 31, 1994, specifically, but without limitation, for the following purposes:

1. Presentation of the Report of the Board of Directors.
2. Presentation of the Report of the Auditor.
3. Approval of the balance sheet and income statement for the fiscal year ended November 30, 1993.
4. Discharge of the Board of Directors and the Auditor.
5. Election of six (6) Directors, specifically the re-election of Messrs. Edward C. Johnson 3d, Barry R. J. Bateman, Charles T. M. Collis, Sir Charles A. Fraser, Jean Hamillius and H. F. van de Hove, being all of the present Directors.
6. Election of the Auditor, specifically the election of Coopers & Lybrand, Luxembourg.
7. Declaration of a cash dividend in respect of the fiscal year ended November 30, 1993.
8. Consideration of such other business as may properly come before the meeting.

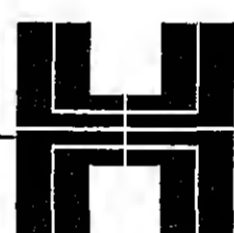
Approval of items 1 through 7 of the agenda will require the affirmative vote of a majority of the shares present or represented at the Meeting with no minimum number of shares present or represented in order for a quorum to be present.

Subject to the limitations imposed by the Articles of Incorporation of the Fund with regard to ownership of shares which constitute in the aggregate more than three percent (3%) of the outstanding shares of the Fund, each share is entitled to one vote. A shareholder may act at any meeting by proxy.

Dated: February 17, 1994

BY ORDER OF THE BOARD OF DIRECTORS

Fidelity Investments



Highlights 1993

## Hongkong Land

Strong Growth in Property Values

- Net asset value per share +50%
- Earnings per share +0.5%
- Dividends per share +5%
- Extraordinary profit on sale of property US\$213 million
- Property portfolio US\$7,857 million
- Shareholders' funds US\$7,660 million
- Net debt US\$82 million
- Investment properties fully let
- US\$410 million 7-year Convertible Bonds issued
- Trafalgar House balance sheet strengthened

"The Hong Kong commercial property market remains strong, and the Group's rental income will begin to grow once again in 1994 on the back of the positive rental reversions which are now being achieved. The Group has the financial strength and the resources to exploit new property and infrastructure-related opportunities in Hong Kong or elsewhere."

Simon Keswick, Chairman  
21st March 1994

### 1993 RESULTS

	Year ended 31st December	
	1993	1992
	US\$m	US\$m
Net income from properties	392.6	390.5
Operating profit	374.6	368.8
Share of results of associates	(20.6)	0.5
Other income	19.2	4.5
Net financing charges	(17.1)	(18.5)
Profit before taxation	356.1	355.3
Taxation	(48.6)	(50.3)
Profit after taxation	306.5	305.0
Extraordinary item	213.2	-
Profit attributable to Shareholders	519.7	305.0
Dividends	(261.7)	(248.6)
Retained profit for the year	258.0	56.4
Shareholders' funds	7,679.7	5,102.9
	US\$	US\$
Earnings per share	11.71	11.65
Dividends per share	10.00	9.50
	US\$	US\$
Net asset value per share	2.93	1.95

Hongkong Land Holdings Limited  
Incorporated in Bermuda with limited liability



A member of the Jardine Matheson Group

The final dividend of US\$6.85 per ordinary share will be payable on 7th June 1994, subject to approval at the Annual General Meeting to be held on 31st May 1994. To Shareholders on the register of members at the close of business on 8th April 1994, and will be available in cash with a scrip alternative. The share registers will be closed from 11th to 15th April 1994 inclusive. The dividend will be available in United States Dollars, Hong Kong Dollars and Sterling. Shareholders on the Jersey branch register will receive United States Dollars while Shareholders on the Hong Kong branch register will receive Hong Kong Dollars, unless they elect for one of the alternative currencies by notifying the Company's registrars or transfer agents by 20th May 1994. Shareholders whose shares are held through the Central Depository System in Singapore ("CDP") will receive Hong Kong Dollars, unless they elect through CDP to receive United States Dollars.



# Fundamentals Get Attention In Hong Kong

Compiled by Our Staff From Dispatches

HONG KONG — Stock investors, who analysts said may have started to look again at fundamental factors, turned their attention toward Washington after trading ended Tuesday.

"I think it's a fundamentals catch-up," Nicholas Peacock, research director at Schroders Securities (Hong Kong), said Tuesday after Hong Kong shares recovered some of their big losses of the previous two sessions.

The Hang Seng Index of 33 leading stocks rose 345.14 points, or 3.98 percent, to close at 9,012.17, after a slight dip on Monday, when it ended at 8,700.00, its lowest level since Oct. 14, 1993.

Other Asian and Pacific markets, shares in Sydney managed a slight gain, and analysts said Hong Kong's rebound helped sentiment in Singapore. But Tokyo's main stock index fell about 1 percent.

The Asia/Pacific component of the International Herald Tribune World Stock Index was a little lower at 127.03, down 0.30, after Asian trading ended.

Alex Tong, a fund manager for Bardsley de Zoete Wund Investment Management (HK), said investors had started buying again in the belief that Hong Kong shares had fallen to attractive levels.

He said they were basing their decisions on fundamentals such as corporate earnings, rather than on optimism about growth prospects for Hong Kong and China.

As the Hong Kong market surged in the final quarter of 1993, "fundamentals really weren't regarded," Stuart Cook, chief executive at Morgan Grenfell Asia Securities, added.

Analysts said the direction that Hong Kong shares take Wednesday will likely depend on whether the U.S. Federal Reserve Board's policy-making committee acted to raise interest rates.

U.S. interest-rate increases often trigger rate increases in Hong Kong, because the territory's currency is pegged to the U.S. dollar. But Hong Kong banks, which meet every Friday to consider rates, have not yet matched the quarter-point rise that the Fed announced in its federal funds rate on Feb. 4.

In Sydney, the All Ordinaries Index closed just 0.3 point higher at 2,140.80, after being down nearly 15 points at its session low.

In Tokyo, stocks drifted lower in subdued trading, with investors reluctant to make major moves ahead of the end of the Japanese fiscal year on March 31. The Nikkei 225-stock average ended 215.92 points lower, at 20,253.53.

The Straits Times Industrials index in Singapore gained 8.74 points to close at 2,045.04. (Bloomberg, Reuters)

# Offices: Where the Fat Is in Japan

## White-Collar Workers Fall Far Short in Productivity

By Andrew Pollack

New York Times Service

TOKYO — Takeharu Inuzuka hunched over his work space amid the sea of desks that make up Toyota Motor Corp.'s Europe and Africa planning division. He was putting the finishing touches on a sales presentation to be made by another executive in a few days.

The speech, about Toyota's latest European results and its plans for the coming year, would last 30 minutes. But preparing it had taken virtually all Mr. Inuzuka's time for two months, including many late nights and one time when he stayed in the office until 6 A.M.

Much of the time was spent repeatedly revising the text and the slides, often by hand instead of on a computer. There also were frequent meetings with managers at different levels to review the presentation.

Toyota may be the most efficient automaker in the world, and its "lean production" techniques have been widely imitated. But a tour of an office such as Mr. Inuzuka's to see how a sales presentation is put together reveals a less formidable side of Japan.

Many Japanese companies, which have concentrated on improving their factories, are finding their profits dragged down by bloated administrative staffs. Time is eaten up in countless meetings. Offices are more cramped and less computerized than their American counterparts, and women remain almost exclusively in clerical roles.

Japan's legions of salaried, or *salarymen*, have long been famous for their dedication and grueling workdays. But only now is the question being asked: Just how much are they really getting done?

"Japan's white-collar productivity problem is of such scope that it can only be called a national competitiveness issue," Shintaro Hori, a vice president of Bain & Co. Japan, wrote in the Harvard Business Review recently. Mr. Hori estimated that Japanese companies had 15 percent to 20 percent more workers than they needed.

The problem, he and others said, is that the Japanese style of management by consensus means slow decision-making and numerous meetings. The value placed on personal relationships means relatively little business gets done by telephone.

Also time-consuming is the process of *nemawashi*, or laying the groundwork, in

Many companies are finding profits dragged down by bloated administrative staffs.

which one wins approval for a proposal in advance of the meeting at which it is discussed. That assures the meeting will be free of confrontation, but it often means wasted time.

In addition, the Japanese tradition of lifetime employment makes it difficult to trim payrolls, even when companies such as Toyota are trying to cut costs.

Toyota has been more aggressive than many others in trying to control administrative costs. But as a day in the life of a middle manager shows, there is room for improvement.

The Europe and Africa planning division occupies half a large room on the seventh floor of Toyota's 17-story office building in Tokyo. (The company's headquarters are near Nagoya, in central Japan.)

About 110 people work in the room and, as is typical of Japanese offices, they work out in the open. Desks are crammed together in clusters called *islands*, so a worker typically has one colleague on either side and one directly across.

At one of those identical desks in one of those islands sits Mr. Inuzuka, 33, the assistant manager, market analysis and planning group, Europe and Africa planning division. His most recent job was to prepare the

sales presentation to be delivered to Toyota's European distributors in Geneva on March 7.

Between Jan. 6 and early March, Mr. Inuzuka said, he had five meetings to discuss the presentation with his manager, six meetings with the general manager of the Europe and Africa planning division and three meetings that included the director of the European divisions.

Many other people also attended those meetings, which tended to last an hour or two.

As a newcomer to European operations, Mr. Inuzuka had to gather a lot of data. He stayed late in his office many nights to call Europe. He also sent many faxes; Toyota does not yet have electronic mail connecting its offices in Tokyo and Europe.

On Jan. 13, Mr. Inuzuka produced his first draft. On big pieces of paper, he drew, by hand, a picture of what each slide would look like, and in an adjacent box wrote the proposed narration. On Jan. 17, after some discussions, he did a complete revision, followed by additional revisions on Jan. 21, Jan. 27 and Feb. 7. Some of those revisions involved writing and drawing everything all over again.

On Jan. 24 Mr. Inuzuka sent the first batch of drawings to an outside company that was to make the slides, using graphics software on a personal computer. On Feb. 8 he sent more. He wrote the English text on a personal computer and sent the floppy disk to the outside company.

Finally, after many discussions and revisions by the outside company, presentations to be handed out at the Geneva meeting were wheeled into the office on March 2.

Looking back, Mr. Inuzuka said: "I was 100 percent devoted to the presentation for the marketing meeting. I haven't done anything other than that." While he acknowledged that his office could make better use of computers to improve productivity, he defended the many steps he took to prepare the presentation. He also said he did not think he could have gone much faster. "That," he said, "was the minimum that was required."

# Investor's Asia

Hong Kong	Singapore	Tokyo
Hang Seng	Straits Times	Nikkei 225
1200	2500	2000
1000	2000	1500
800	1500	1000
600	1000	500
400	500	0
200	0	0
0	0	0
1993	1993	1993
1994	1994	1994
1995	1995	1995
1996	1996	1996
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2023	2023	2023
2024	2024	2024
2025	2025	2025
2026	2026	2026
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2028	2028	2028
2029	2029	2029
2030	2030	2030

# Very briefly:

- BP Exploration Operating Co. said a consortium led by it signed a pact to prospect for oil in China's Tarim Basin, which some industry specialists say may hold nearly as much oil as Saudi Arabia.
- Jardine Fleming Holdings said 1993 net profit more than doubled, to \$202 million from \$75.8 million in 1992, on the strength of its equity-market boom. Mandarin Oriental International Ltd., also part of the Jardine Matheson Holdings Ltd. group, said profit after taxes and minority interests rose to \$40.8 million from \$40.3 million.
- Singapore will spend \$52 million Singapore dollars (\$53 million) this year to develop port facilities, its communications minister said.
- South Korea cut its probation period on securities firms to two years from three years. The change allows Nomura Securities Co., which had been disqualified for alleged dealings with Japanese organized-crime figures, to open a branch office in Seoul. (Bloomberg, AFP, AP, AFP)

# Apple in Licensing Talks for Japan

The Associated Press

TOKYO — Apple Computer Inc. is having "fairly intense" discussions with several Japanese companies about licensing its Macintosh computer operating system, Michael Spindler, the president of Apple, said Tuesday.

Mr. Spindler would not specify which companies were involved in the talks.

Under Mr. Spindler, who became president last year, Apple has departed from its longstanding policy of not licensing the Macintosh operating system. It has said it is willing to share it with computer makers who are not apt to slash prices and launch a price war.

By licensing the operating system — the basic software that runs a computer — Apple hopes to reduce the worldwide dominance of IBM-compatible personal computers and Microsoft Corp.'s Windows software.

Japan is Apple's second-largest market after the United States. Apple was the second-largest personal computer vendor in Japan last year with 13.9 percent of the market, according to Dataquest, a market research concern. NEC Corp. dominates the Japanese market.

Apple already has significant ties with Japanese companies. Sony Corp. is its largest supplier of components and Sharp Corp. manufac-

tures its hand-held Newton MessagePad computer. Apple also has joint development projects under way with Toshiba Corp. and Kyushu Matsushita Electric Co.

■ **Gates Complains to China**  
Bill Gates, chairman of Microsoft Corp., took issue with the government of China on Tuesday for not letting the market dictate software standards, Reuters reported from Beijing.

Mr. Gates said he was confident the huge untapped Chinese market, if given the choice, would embrace a new Chinese version of Microsoft Windows as a standard for desktop computer software.

# TRADE: Steps Against Low-Wage Nations Weighed

Continued from Page 1

foot on the question of linking workers' rights with trade. Germany is increasingly opposed to forcing a social clause into trade negotiations.

Günter Rexrodt, Germany's economic minister, last week said talk about workers' rights could lead to a new protectionism. A German official said Bonn feared the World Trade Organization would be "overloaded" with responsibility for social and environmental issues.

Sir Leon's position differs from the French approach, according to a European Commission official, "because we are not launching a

crusade to rob low-wage countries of their competitive advantage." Instead, the official said, "the objective is a leveling of workers' rights."

The official said Sir Leon's paper would outline options such as asking the International Labor Organization, a UN agency, to report on suspected breaches in order to examine them in a multilateral forum, rather than implementing immediate trade sanctions on the offending country.

Dennis MacShane, an officer at the Geneva-based International Metalworkers' Federation, noted that the desire for fair labor conditions in emerging economies had brought together governments with different agendas. He said, however, that action was needed because

"Asia is now the low-wage, uniform, socially unacceptable playground for any European company that no longer wants to meet its social responsibilities, and that puts a question mark over every manufacturing job in Europe."

Mr. MacShane said the federation had brought several complaints to the International Labor Organization about Malaysia's refusal to permit national trade unions in the electronics sector. The ILO confirmed it was examining the complaints but stressed that Malaysia had not ratified the relevant workers' rights convention

# STANDARDS: Asians Warned

Continued from Page 11

meeting in Kuala Lumpur of the Pacific Economic Cooperation Council attended by about 400 officials, business leaders and academics from Australia, Brunei, Canada, Chile, China, Colombia, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Mexico, New Zealand, Peru, the Philippines, Russia, Singapore, Taiwan, Thailand, the United States and the South Pacific island states.

East Asian officials said U.S. threats to withdraw trade privileges from China over its human-rights record and from Indonesia for allegedly failing to protect workers' rights appeared linked to concerns in France and other European Union member nations about unfair competition from Asia.

"They said any attempt by the West to impose new international standards for wages, work and environmental conditions was a disguised form of protectionism and would be strongly resisted."

"We have to draw the line now," Noordin Sopiee, the Malaysian

chairman of the council, said in an interview.

Mr. Noordin said the EU had told Southeast Asian nations that "not having a welfare state is an unfair trade practice." He added, "They call it social dumping. We are dumping because our workers will accept lower wages and work longer hours and sweat and toil, whereas theirs won't."

Ministers from more than 100 countries are to meet in Marrakesh, Morocco, in mid-April to ratify the Uruguay Round global trade pact that was concluded in December. They will also begin discussing issues for inclusion in the next round.

Mr. Dadzie said there was "a real danger" that the new trade agenda would be dominated by issues such as low wages, labor rights and environmental protection.

He said East Asian nations should take prompt action by giving all developing countries easier access to their markets and by increasing their purchases of Eastern Europe's exports — more than half of which currently go to the 12 EU nations.

# NYSE

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

12 Month High Low Stock Div Yld PE 100s High Low Last Chg

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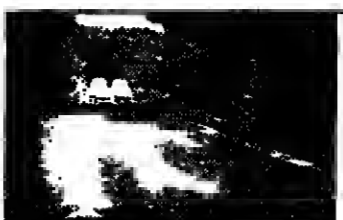
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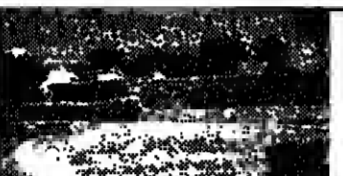
**PARIS**  
■ Exquisite town house laid out on 3 floors. Living space of 450 m<sup>2</sup>. Large reception room, small salon and dining room, 6 bedrooms. Attractive cottage in the garden. Suitable for a caretaker or staff. Includes a cellar.

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■ Overlooking the Bay of Cannes and the Esteret, a very nice Mediterranean property in a 3700m<sup>2</sup> landscaped park planted with trees. Vast reception room, 6 bedrooms and bathrooms. Caretaker's lodging. Swimming pool with overflowing system.

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■ Attractive villa with a pretty one-acre garden with pool and breathtaking sea view. Spacious reception room, three large bedrooms with a bathroom, separate caretaker's cottage. Possibility of building a further 100m<sup>2</sup>. Price on request. Ref: 4885.

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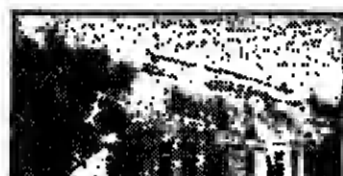
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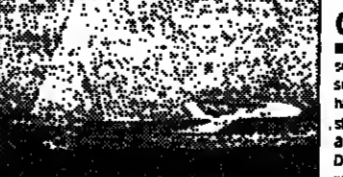
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## BUSINESS &amp; TRADE OPPORTUNITIES

## Asia/Pacific

## ASIA'S SUCCESS STORY: WILL IT LAST?

**A**sia-Pacific's astonishing economic success — especially its rapid industrial growth and export expansion over the last 30 years — has been nurtured by low-cost labor, flexible work forces and rapidly rising skill levels. The critical question now is whether that growth can be maintained.

Growth rates in Asia are certainly impressive. North Asian economies, excluding Japan's, are forecast to expand by about 8 percent this year. The six ASEAN nations — Brunei, Indonesia, Malaysia, Singapore, Thailand and the Philippines — will grow at roughly 7 percent, well above the 3.2 percent growth rate anticipated for North America this year. When Japan is figured into the North Asian equation, however, the expected growth rate falls to a modest 4 percent, more in line with other parts of the world.

History tells us that ultra-high growth rates cannot be maintained forever. Decades ago, Japan realized that domestic low-end manufacturing was no longer feasible. It was just getting too expensive to produce cheap plastic and electronics goods at home. As a result, many Japanese companies began moving their production facilities to less developed countries like Hong Kong, Taiwan and Singapore.

As these "Little Dragon" economies matured in the 1980s — with a steep upward spiral in local labor costs — there was a "knock-down" effect to countries like Thailand, Indonesia and Malaysia.

Now, a decade later, Asia is starting to see another wave of movement, with labor-intensive industries relocating to places like Vietnam, China and India, where manufacturing costs are still remarkably low.

An abundance of cheap labor has been the key to Asia's success from the very start. It is estimated that the average cost of labor is \$20 per hour in Western Europe, \$19 per hour in North America (excluding Mexico), \$18 per hour in Japan, but only \$1.65 in the rest of Asia.

There are now signs that some Asian economies are following in the footsteps of Japan. Wages have risen substantially, for example, in several countries. In South Korea, the pay packet rose from 25 percent to 45 percent of gross domestic product between 1964 and 1990; in Singapore, wages grew from 35 percent to 45 percent of GDP between 1974 and 1990.

The population figures indicate that Asia will probably maintain its cheap-labor edge: The continent had an estimated 3 billion people in 1991, a whopping 56 percent of the global family, and less-developed countries have the biggest population pools: China (1.1 billion), India (886 million) and Indonesia (195 million).

It is more than sheer numbers that keeps Asia's labor cheap. In many Asian countries, there is very little emphasis on factors such as labor laws, safety, pollution control, disability or retirement payments — all of which add to the cost of industry and commerce in North America, Europe and Japan.

Even in countries where wages are rising, however, there are other factors that will continue to propel above-average economic growth.

Professor Lim Chong Yah of Singapore's Nanyang Technological University has cited several factors to explain the strong economic performance of South Korea, Taiwan, Hong Kong and Singapore: stable, development-orient-

ed governments; sufficient labor and land; accumulation of personal savings; market-driven, outward-looking economic systems; and atmospheres conducive to private investment.

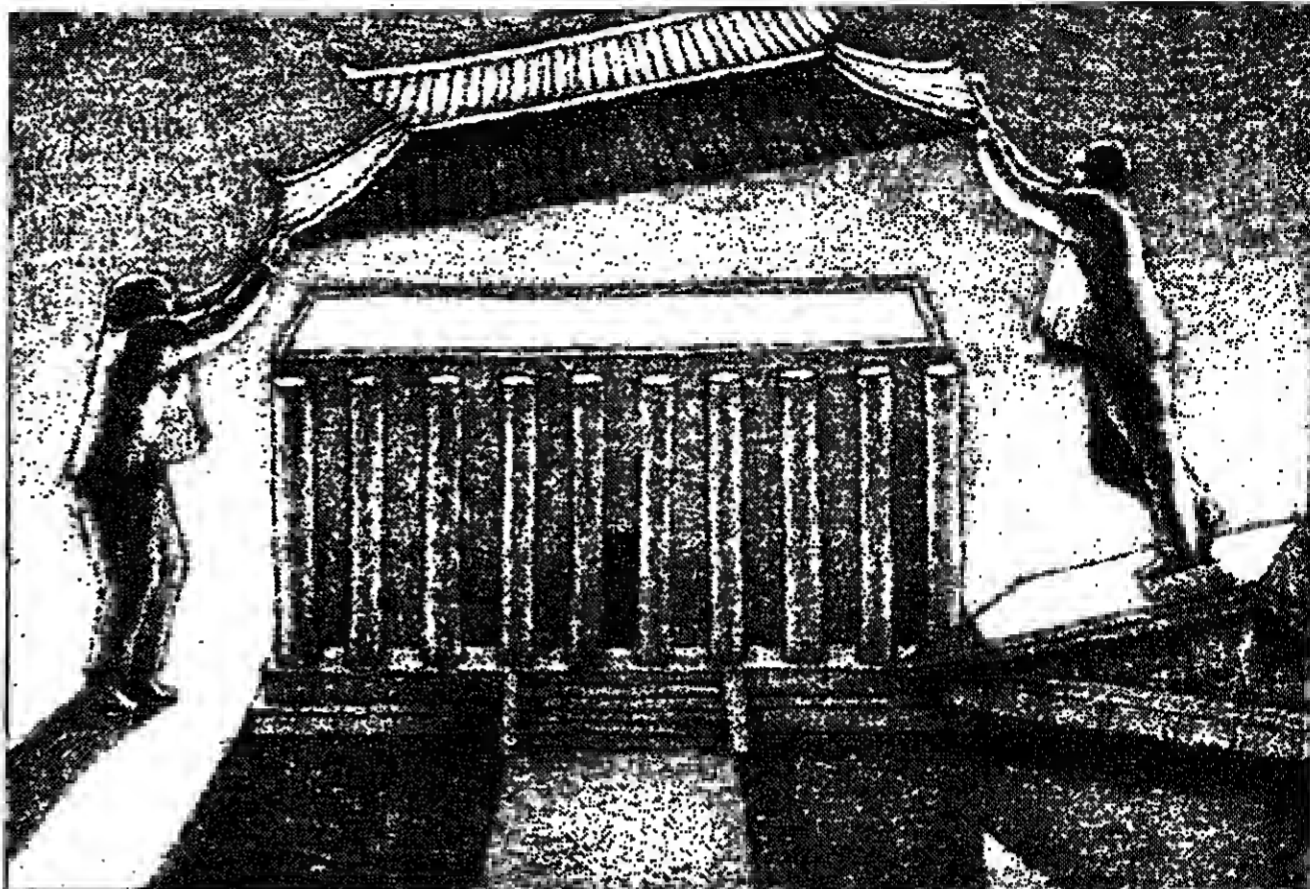
Another factor is that governments of the region do not shy away from working hand-in-hand with private enterprise to plot economic strategies and gain entrance to overseas markets.

Traditional Asian values have also provided a solid foundation for the region's economic success. A number of leaders are beginning to talk about an Asian political and economic philosophy that combines ancient Asian values and certain aspects of Western democracy and capitalism.

There are other reasons why Asia may not fall prey to cyclical business downturns. Many Asian governments actively encourage their populations to buy shares, thereby becoming stakeholders in the country (Singapore's 50.5-percent share ownership is said to be the world's highest). Many governments also encourage performance-based bonuses, even among members of the civil service.

There is also a general attitude in the region that the local press should be kept on a short leash, not necessarily becoming merely a government mouthpiece — which is still the case in places like China and Vietnam — but remaining less inflammatory than in the West.

Meanwhile, the Organization for Economic Cooperation and Development (OECD) recently announced three reasons why the Dynamic Asian Economies (DAEs) of Singapore, Hong Kong, South Korea, Taiwan, Malaysia and Thailand continue to thrive: China's double-digit growth



Building on Western ideas, the Asian way: Eastern values may account for the success of the Dynamic Asian Economies.

rate; rising real wages resulting from labor shortages caused by the export boom of the late 1980s; and government expenditure on infrastructure projects throughout the region that help to boost domestic consumption.

The OECD warned that while DAEs will certainly lead global growth until the end of next year, uncertainty may ensue if China institutes severe austerity measures to cool its overheated economy. Given the level of invest-

ment in China from other parts of Asia, any slowdown in China could have a dramatic effect throughout the region.

At the same time, rapidly aging populations and environmental problems are likely to put severe strains on regional economies. Another factor that could have a negative impact on Asian economies is what Anwar Ibrahim, Malaysia's deputy prime minister, calls "rampant consumerism and greed," fueled by rapid growth and rising expect-

tations among the middle class. In Malaysia and elsewhere, many middle-class consumers have a sense of entitlement — with the economy booming, they do not feel they should have to scrimp and save any longer.

Mr. Anwar tells Malaysians they should learn from Japan and exercise restraint in sectors where greed can create a fragile "bubble economy" that can easily burst and stymie growth.

Joseph R. Yogerst

Can you simplify  
the global exchange  
of technology?

Technology transfer is like teaching: it's best done face-to-face.

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have the know-how. ABB's worldwide power distribution group reacted with a swift hands-on transfer of technology. A "Tiger Team" of technicians flew in from Scandinavia and Saudi Arabia, teaming up with Thai engineers to share skills and experience. Together they handled the first project for the Thai Plastic Company. Next, ABB started local assembly and manufacture of switchgear, creating a whole new industry. Local firms now supply parts and plant — steel structures and cables — previously imported. The "Tiger Team" remains involved in information exchange, but now the students are teachers, too.

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مركز الخدمات

# Asia/Pacific

## PECC: LABORATORY FOR IDEAS AND REGIONAL CONSCIENCE

**N**umerous government ministers and heads of state from the Asia-Pacific region - including Prime Minister Mahathir bin Mohamad of Malaysia, Prime Minister Efraim Goldenberg of Peru and H.E. Do Muoi, general secretary of the Communist Party of Vietnam - will address the Pacific Economic Cooperation Council (PECC) International General Meeting on March 22-24 at the Istana Hotel in Kuala Lumpur.

Founded in 1980 after a meeting between the Australian Prime Minister Malcolm Fraser and his Japanese counterpart, Masayoshi Ohira, the Pacific Economic Cooperation Council is a nongovernmental organization devoted to economic cooperation along the Pacific Rim.

"For the first time in history, the vast and broad Pacific

Basin region has come to meet the prerequisites for making possible the creation of a regional community," Mr. Ohira said at that time.

Drawing membership from business, government and academia, the PECC is a unique tripartite body that attempts to address important regional issues without national or commercial bias.

Every major nation around the Pacific Rim is a member of the organization; these include Australia, Brunei, Canada, China, Chile, Colombia, Hong Kong, Indonesia, Japan, Malaysia, Mexico, New Zealand, Peru, the Philippines, Russia, Singapore, South Korea, Taiwan, Thailand, the United States and one member representing the Pacific Island nations.

"You might call us a laboratory for ideas and a regional conscience," says Enrique Subercaseaux of the PECC Secretariat. "We devise con-

crete solutions, concrete policy recommendations. Governments need input from organizations like ours because we have no inbuilt agenda. We are not influenced by what is good for

Among the issues that will be discussed at Kuala Lumpur are private power generation in the Asia-Pacific region; the rapid growth of air transportation; the expansion of the automobile

dealing with disputes; and the region's emerging financial and capital markets.

"The ultimate goal of the Kuala Lumpur summit," says Mr. Subercaseaux, "is the endorsement of an accord that lists specific points of trade liberalization that PECC wants to highlight."

The accord will also contain philosophical concepts that promote Pacific peace, prosperity and cooperation.

"We must continue to play a role in the strengthening, enriching and maturing of [the] Pacific community in the years to come," reads one part of the accord. "The future has to be invented from today."

vestment, services, information and technology.

- Comply with the principles and practices developed through the General Agreement on Tariffs and Trade.
- Forge subregional economic arrangements that are consistent with GATT and that maintain the overall laissez-faire character of the Pacific region.
- Develop commerce with nations outside the region that are committed to outward-oriented economic policies.
- Promote further openness in the region and in the global economic system.



Asia's emerging value system: Confucian capitalism.

## A CONFUCIAN MODEL FOR DEMOCRACY

Asian leaders say that Asia's economic "miracle" will survive because it has a strong cultural base. Traditional Asian values stress the importance of family, education, hard work, living within one's means and saving money, as well as working as a team (within the family, company or nation) rather than striving for individual gain.

Some people use the term "Confucian capitalism" to describe the region's emerging value system, as many basic tenets are derived from the teachings of Confucius, a Chinese philosopher who lived from 551 to 479 B.C. Confucius believed that social harmony could only be achieved through unquestioned respect for authority and strong family bonds. Some Asian and Western observers have

ever, describe this new philosophy as a thinly veiled argument for one-party rule and the suppression of dissent.

One-party dominance is the status quo in much of Asia. The region's "true" democracies - India, Pakistan, Bangladesh and the Philippines - are also the economic laggards.

Advocates of more limited democracy are apt to point out that multiparty politics and squabbling have hampered economic growth in these countries.

In the long term, Asia's economic liberalism will probably be followed by political liberalism. But it will take years for many Asians to change their present attitude, the notion that democracy - and all the personal freedoms inherent in that system - is less important than rapid economic growth.

J.Y.

## IN INDUSTRIAL RACE, ENVIRONMENT LAGS BEHIND

The environmental factor is starting to rear its ugly head in Asia. South Asia's industrial sector is four times larger than it was 30 years ago. East Asia's is nine times larger. This rapid growth - and the transformation from a rural to an urban society - has caused high levels of pollution throughout the region.

Air quality in Jakarta, Calcutta, New Delhi, Beijing and Bangkok is among the world's worst. Traffic congestion has led to chronic gridlock in many of these cities. Sewage systems and industrial waste treatment are practically nonexistent in many countries. Forests, rivers and natural reserves have been severely depleted.

This is already beginning to have a negative impact on the economies of the region. The cost of health care

attributed to air and water pollution is estimated to exceed \$1 billion a year in Jakarta and \$2 billion a year in Bangkok - and these figures do not include lost man hours and wasted fuel that result from traffic jams.

To date, the ecological problems have only been addressed in limited areas. Singapore, for example, is often cited as a model of environmental consciousness. This has been a relatively easy achievement, however, as Singapore is a tiny island with a limited population that has never relied on natural resources for economic growth.

But the island's success does not mean up the rest of the region. The industrial revolution has produced a global environmental crisis.

Even more disturbing is the fact that emerging economies like Viet-

nam, Cambodia, Burma and China are depleting their natural resources at even faster rates than the previous crop of up-and-coming nations like Thailand, Malaysia and Indonesia.

Criticism from Western governments and environmental organizations is often answered with a stock response: "You exploited your environment for financial gain, so why can't we?" There is a genuine sense of entitlement. Governments and business executives often are not motivated to curb environmental degradation and health hazards because doing so might hamper growth. Many top executives - both in Asia and the West - say that the most crucial barrier to better environmental management is a glaring lack of political will that is often fueled by apathy.

## EXPORTS: FIRST STEP IN GOING GLOBAL

**A**ssociate Professor Linda Lim, a Singaporean economist affiliated with the University of Michigan Business School, took time off from her teaching, consulting and writing to speak about the globalization of Asian companies.

To what extent have Asian countries started to go global?

If you talk about Asian companies going global, and by this you mean tapping global markets, one could say they have been going global for a long time. In fact, about 25 percent of Asia's exports go outside of Asia to the United States, and if you add the exports that go to Europe and other places, nearly half of Asian countries' exports go global. Many exports are products manufactured by small to medium-sized Asian companies that are subcontracted to produce textiles, garments, footwear and toys by foreign multinationals. This would not so much be going global as "hooking into" the global network of a multinational.

While this subcontracting and exporting may not really be going global, would you agree that this constitutes a first step in the process of doing so? What would be the next step in the process for Asian countries?

Yes, exporting is indeed the first step of going global, and this first step has been taken by most Asian countries. In the classical sense, the next stage of going global would be through investment in other countries. Companies start by producing at home, then they export, and eventually they go multinational, by which we mean they establish a production or service base in another country. South Korea, for example, started by producing cars for domestic production. Next, they exported these cars to the West. Now there is at least

one Korean-owned auto plant in Canada.

Some Asian patterns of going global differ from the classical investment pattern you just mentioned. Why, for example, do we see overseas Chinese investing in ventures that differ from those in which they are involved in their home countries?

The typical reason companies invest abroad is to export their competitive advantage. In other words, they must be able to do something better or sell something cheaper than other companies. Usually, this advantage is in the form of a technology or brand that sells. With the exception of some Japanese companies, few Asian companies have this type of competitive advantage. Obviously, they must be going abroad for other reasons - I can suggest three. First, companies might go abroad to avoid trade barriers; second, companies might establish themselves overseas to capture technology; and third, investment might be motivated by a company's desire to diversify its assets.

Let's talk about diversification. Which type of companies invest abroad for this reason?

Many Chinese firms (from Singapore, Taiwan and Hong Kong) invest in real estate. This is simply an extension of their overseas patterns of investment in Asia. They move into other markets for security. Currently, real estate is relatively cheap in the West as compared with Asia. Incidentally, these are mostly family companies. When it comes to Chinese companies, in many cases, you really cannot separate the family from the company. There are other twists - an investment might be motivated by the fact that there is a son in the United States. This is how global family corporate empires are built. It should also be mentioned that political stability is a concern that

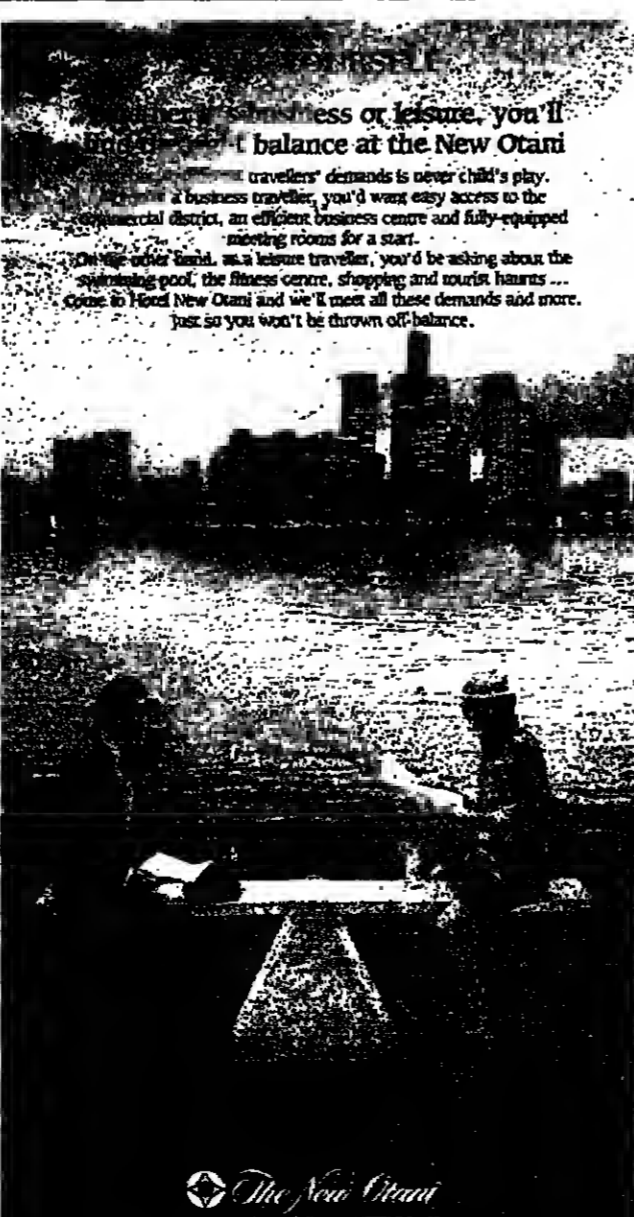
might lead to geographical diversification. Finally, some Asian companies - investment companies, venture-capital enterprises and the like - invest in the West for the same reasons as Western companies: to get a good return on their portfolio in investment. Companies invest abroad if they anticipate that the returns will be better.

You mentioned Asian investment in Asia. Is this a precursor to going global? Do you think this pattern will continue?

The shape of business in

Asia is as follows: the biggest business opportunities in Asia are in Asia itself, thus Asian companies will continue to target their neighbors. However, it is worth mentioning that the window of opportunity for this type of investment is narrowing, and the "early comers' advantage" has diminished as the rest of the world pours into Asia. However, investment in other Asian countries will remain the first priority of Asian companies.

Interview by Teresa Albor



The New Otani

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This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. • Teresa Albor is a freelance financial writer who covers Southeast Asia. • Joseph R. Yager is a freelance writer based in Singapore.

## SPORTS

Senate Hearing  
On Baseball Inc.  
Sets Off SparksBy Murray Chass  
New York Times Service

ST. PETERSBURG, Fla. — A hearing into baseball's exemption from antitrust laws produced a prolonged and angry exchange between Bud Selig, the acting commissioner, and Senator Howard M. Metzenbaum, an Ohio Democrat, over the authority of the commissioner under the owners' restructuring of the office.

"The fact is he has more authority than he had in the past," Selig said in one exchange.

Metzenbaum, the chairman of the Senate antitrust subcommittee, repeatedly expressed the view that the owners have made the commissioner a "lackey."

"You don't have to be a genius, a Philadelphia lawyer, a Supreme Court justice to see that under this agreement you have degraded the office of the commissioner," Metzenbaum said.

"I disagree," Selig said. "I think I can read English," Metzenbaum replied harshly.

The session Monday was the second hearing that Metzenbaum has held on a bill he has introduced in the Senate that would strip baseball of the exemption the U.S. Supreme Court granted it in 1922. The exemption has enabled the owners, unlike their counterparts in other sports, to exercise control over such matters as numbers of franchises and their locations.

Selig spent most of the time parrying questions from Metzenbaum, but he also faced questioning from

Florida's two senators, Bob Graham and Connie Mack, primarily about expansion and the failure of this area to get a team either through expansion or when the San Francisco Giants were for sale in 1992.

Mack, however, zeroed in on one aspect of Selig's contention that the owners have strengthened the commissioner's authority. Mack asked Selig if the commissioner can be fired before his term is up.

"It's been left silent as it always was," Selig said.

But, Mack pressed on, saying, "It's our impression that it takes only a majority of teams" to fire a commissioner but a two-thirds vote to dismiss a league president. "That doesn't sound to me that there has been a real strengthening of the commissioner's office."

When Selig repeated that the restructuring report was silent on the issue, Mack alluded to Selig's repeated refrain that restructuring cleared up the ambiguities of the commissioner's role.

"This was an opportunity to clear up all the ambiguities," the Republican senator said.

"I think the restructuring committee felt this was the best way to handle it," Selig responded.

When the restructuring report was released last month — the owners approved it in January — the general assessment was that the document diluted the commissioner's powers. Selig was incredulous that anyone could think that and has steadfastly argued to the contrary.



TOP DANCERS — Oksana Grischuk and Yevgeni Platorov of Russia, the Olympic ice-dancing champions, performing Tuesday at the world championships in Chiba, Japan. They led after two compulsory dances. Their compatriots Yevgenia Shishkova and Vadim Bushkov led the pairs.

## At Play on the Fields of War

International Herald Tribune

LONDON — A soccer game played beneath skies patrolled by fighter planes does not signify peace in Sarajevo. But as a symbol of hope — an expression of free movement in a place where weeks ago only the brave, the desperate or the dead were on the streets — 20,000 Sarajevoans roaring their throats dry in the Kosovo Stadium on Sunday did represent triumph.

Sports that day were not up to the job of no consequence. Even Serbs watching from their lookouts in the hills must have seen how Sarajevo tried to take things easy on its protections by fielding a B team of young players rather than its front-line soccer pros.

Those professionals, deemed important enough to Bosnia to have been maintained as a team abroad for much of last year, would, it is reckoned, have embarrassed the servicemen by 16 goals.

Nevertheless, with soccer in the blood of so many former Yugoslavs of all origins, it is not surprising that the Sarajevo kids brought out of hiding ran rings around UN volunteers, whose day and night priority is trying to prevent "ethnic cleansing."

A cynic, maybe even a realist, might ask what relevance a sporting hour has to a hell on earth. For even while the match was played, more UN troops uncovered a cache of heavy Serbian weapons inside the nearby exclusion zone.

Let the man who put on the game answer that. Inside Kosovo Stadium, itself by the shells of war, Lieutenant General Michael Rose, commander of the UN force in Bosnia, said on Sunday: "It is almost a miracle to see people who have spent 22 months living in the most horrific circumstances, throughout a civil war in which over 9,000 people have been killed, of whom 2,000 were children, able to come here and do the thing they love most, which is to watch football."

Rose is no soft idealist. He is a man of war, a soldier whose ultimatums of military intervention and air strikes appear, so far, to carry the uncompromising tones that aggressors understand.

HOW TEMPTING to recall that soccer euphoria broke the curfew under which Argentines had been repressed until 1978. Then, because the generals who ruled the country miscalculated and were allowed to stage a World Cup there, the people came out in their millions, never to be shut away again.

How fitting it would be if Sarajevo 1994 similarly makes soccer the excuse, the catalyst, for normal civility. Rose apparently believes the peace process is irreversible.

He said as much at the stadium where British Harriers and Jaguars flew past, where four British paratroopers dropped in, where a 38-strong regimental band of the Coldstream Guards, in full ceremonial regalia, was flown in from Buckingham Palace.

Was it all just a terribly British thing to do? Soccer on the killing fields dates to early in World War I, when, on Christmas Day 1914, British and German

troops laid down their arms and laid into one another in an impromptu game in no-man's-land.

After soccer, the players went back to the war. Rose will be hoping for a more permanent truce, hoping the sentiments of Sunday more closely reflect Beirut in the spring of 1993.

There, soccer was used to convey the message that everyone had had enough after 17 years of self-destructive religious and ethnic civil war. As in Bosnia these past 22 months, Beirut was a place where men would steal time out to meet with their mates and play this draft, addictive, all pervasive sport.

The Lebanese play soccer as passionately, but not as bewitchingly well, as the Yugoslavs. And when Serbs, Croats, Macedonians, Montenegrins and Bosnians were a united team they were capable of taking on anyone in the world two years ago.

Their game was intrinsically fine, curiously lacking in aggressiveness. But the savagery of the fighting in their homelands leaves no room for romantic notions of that team being pieced together again in this sporting generation.

Soccer cannot begin to be viewed as an alternative to war. Yet the last Yugoslav team, captained by Faruk Hadzibegovic, a Bosnian Muslim, blended skills from the now divided ethnic regions, skills personified in Robert Prosinecki, who has one parent from Serbia, one from Croatia.

If Prosinecki, now of Real Madrid, plays for any nation in the forthcoming European Championship matches, it will be Croatia, which is grouped with Italy, Ukraine, Lithuania, Estonia and Slovenia.

What a side Croatia has on paper. There is also Boksic, the ghosting goalscorer currently employed by Lazio of Rome. There are Zvonimir Boban (AC Milan), Zoran Ban (Juventus) and Robert Jarni (Torino). There are seven Croatians playing for clubs in Spain, two in Germany, others in Portugal, Austria and Belgium.

ALL ONCE were the blue shirts of Yugoslavia and while it may not be politically correct to say so from which ever side of the lines they hail most, those footballers appreciate the celebration of Sunday's game.

Bosnians among them will especially identify with the reported comment of Sadr Memisevic, 64, who said in the stadium: "I feel I have been born again. For two years I have been closed in by four walls. I had to get out to join the crowd."

The crowd, more than the match, was a momentous event in Sarajevo. And no doubt some thought back to June, when, at a residential area close to the airport, 200 people gathered at a soccer match on a Muslim holy day.

Thirteen people were killed and 80 were wounded by mortar fire. "The match wasn't a good idea," said one as a stretcher carried him away. "But no matter how many they kill, they will not kill our morale."

Sunday brought such emotions to the surface. I suggest soccer is unique in its ability to cauterize across barriers. The recent Winter Olympics offered a moving tribute to Sarajevo's victims; soccer, once again, has a foothold on the higher claim that it is a trigger, or at least an instrument, of the peace.

Rob Hughes is on the staff of The Times.

## SCOREBOARD

## BASKETBALL

## NBA Standings

## EASTERN CONFERENCE

## Atlantic Division

Team	W	L	Pct	GB
New York	45	19	.703	
Orlando	39	26	.600	1
Miami	37	28	.569	2 1/2
New Jersey	22	31	.412	12
Charlotte	22	42	.344	23
Philadelphia	21	44	.323	24 1/2
Washington	19	47	.288	27

## Central Division

Team	W	L	Pct	GB
Atlanta	43	23	.650	
Chicago	36	29	.554	1
Indiana	36	29	.554	1
Charlotte	28	35	.443	7 1/2
Milwaukee	18	44	.288	27 1/2
Detroit	18	47	.277	28

## WESTERN CONFERENCE

## Midwest Division

Team	W	L	Pct	GB
St. Louis	46	17	.732	
San Antonio	46	19	.706	1
Utah	43	24	.643	2
Denver	22	50	.300	14 1/2
Minnesota	18	47	.277	29
Dallas	9	57	.158	39

## Pacific Division

Team	W	L	Pct	GB
Seattle	47	17	.734	
Phoenix	42	22	.656	1
Portland	39	27	.591	3
Golden State	37	27	.576	5
L.A. Lakers	27	37	.421	15
L.A. Clippers	24	39	.381	17 1/2
Sacramento	22	42	.344	24 1/2

## X-clinched playoff spot

## MONDAY'S RESULTS

Team	W	L	Pct	GB
Atlanta	21	36	.364	11-100
Utah	42	22	.656	1
Phoenix	42	22	.656	1
Portland	39	27	.591	3
Golden State	37	27	.576	5
L.A. Lakers	27	37	.421	15
L.A. Clippers	24	39	.381	17 1/2
Sacramento	22	42	.344	24 1/2

## HOCKEY

## NHL Standings

## EASTERN CONFERENCE

## Atlantic Division

Team	W	L	T	Pts	GB
N.Y. Rangers	44	22	6	94	
New Jersey	41	21	11	93	1
Washington	39	21	8	86	5
Philadelphia	31	34	7	69	23
Pittsburgh	31	34	7	69	23
Toronto	25	38	10	60	29

## Central Division

Team	W	L	T	Pts	GB
St. Louis	38	22	12	88	
Chicago	38	22	12	88	
Minnesota	36	24	12	84	2
Buffalo	37	27	9	83	3
Quebec	29	36	7	65	13
Ottawa	24	41	11	59	18

## WESTERN CONFERENCE

## Central Division

Team	W	L	T	Pts	GB
St. Louis	38	22	12	88	
Chicago	38	22	12	88	
Minnesota	36	24	12	84	2
Buffalo	37	27	9	83	3
Quebec	29	36	7	65	13
Ottawa	24	41	11	59	18

## Pacific Division

Team	W	L	T	Pts	GB
Calgary	35	27	11	81	
Vancouver	35	27	11	81	
San Jose	33	29	14	80	1
Anaheim	27	35	9	63	17
Los Angeles	24	37	11	59	20
Edmonton	20	41	12	52	26

## X-clinched playoff spot

## MONDAY'S RESULTS

Team	W	L	T	Pts	GB
Atlanta	21	36	11	53	
Utah	42	22	12	88	
Phoenix	42	22	12	88	
Portland	39	27	11	89	1
Golden State	37	27	11	85	5
L.A. Lakers	27	37	11	65	15
L.A. Clippers	24	39	11	59	17 1/2
Sacramento	22	42	12	56	24 1/2

## FOOTBALL

## NFL Standings

## AFC Division

Team	W	L	T	Pts	GB
San Francisco	10	6	0	20	
Los Angeles	10	6	0	20	
San Diego	9	7	0	18	1
Denver	8	8	0	16	4
Seattle	7	9	0	14	7
Minnesota	6	10	0	12	10

## NFC Division

Team	W	L	T	Pts	GB
San Francisco	10	6	0	20	
Los Angeles	10	6	0	20	
San Diego	9	7	0	18	1
Denver	8	8	0	16	4
Seattle	7	9	0	14	7
Minnesota	6	10	0	12	10

## X-clinched playoff spot

## MONDAY'S RESULTS

Team	W	L	T	Pts	GB
Atlanta	21	36	11	53	
Utah	42	22	12	88	
Phoenix	42	22	12	88	
Portland	39	27	11	89	1
Golden State	37	27	11	85	5
L.A. Lakers	27	37	11	65	15
L.A. Clippers	24	39	11	59	17 1/2
Sacramento	22	42	12	56	24 1/2

## JUMBLE

## THAT SCRAMBLED WORD GAME

Unscramble these four jumbles. Write the letter in the box below. Then write the word in the box below. (Answers are on page 23.)

VINGE

LARRU

UNEVEA

RAPPOL

Print answer here: ON

Yesterday's: JUMBLE: MOTIF, FUGA, FALTY, SYSTEM. Answer: When it's too hot to handle, it's too hot to handle.

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## PEANUTS



## BLONDIE



## BEETLE BAILEY



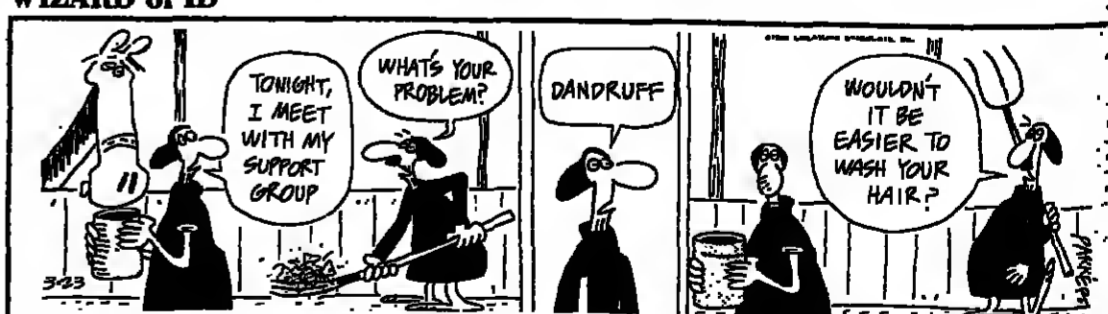
## DOONESBURY



## CALVIN AND HOBBES



## WIZARD of ID



## REX MORGAN



## GARFIELD



مكازم التحصيل



